

**Plenary Session A:
Opening Ministerial Segment
Thursday, 3 June, 9.00 – 12.00 h
Venue: Plenary Hall IKBB**

Internationale Konferenz
für Erneuerbare Energien, Bonn
International Conference
for Renewable Energies, Bonn



**Speech given by Chancellor Gerhard Schröder
at the International Conference for Renewable Energies in Bonn on June 3**

Prime Minister Amadou,
Professor Töpfer,
Ladies and gentlemen,

Bonn is the right place to talk about the path to sustainable energy supplies. It is, after all, the location of the United Nations Climate Change Secretariat and other institutions that deal with global environmental issues. I also think the timing of the conference is right. It's right because the current situation shows us that there is a need to make firm agreements aimed at redirecting global energy policy. Those who have been hesitant in addressing this issue in the past are now coming around to realizing the urgency of doing so. High energy prices, such as those we are currently seeing for oil, destroy opportunities for economic development throughout the world. They pose a threat to economic growth in developed economies. They are a hindrance to global efforts to combat poverty and hunger. Events in Saudi Arabia and Iraq have made it dramatically clear how vitally important it is to our security to have an energy supply based on as many different types and sources of energy as possible. I think it is high time we were following up our words and declarations of intent with actions.

Let me give you a statistic to illustrate what I'm talking about. Experts estimate that the current rise in oil prices is creating some 60 billion dollars in additional costs for the developing countries. This is approximately the amount of money the industrial countries provide for development assistance each year. The poorest countries of Africa are currently spending more than half of their export earnings on oil imports. Two billion people, about a third of the world's population, have no access to normal energy supplies. They don't have even the basics, such as the energy they would need to drive water pumps in order to have clean drinking water. They don't have the electricity they would need to have access to information, communication, and education. They also don't have the energy they would need to be able to process raw materials and, in doing so, advance their economic development. This makes it clear that those who want to combat poverty and promote development will need to invest in decentralized, renewable energy sources. We have set ourselves the task of agreeing on specific objectives in this regard here in Bonn.

Terrorist attacks on oil facilities and on people who work in the oil industry are aimed specifically at damaging this vital lifeline which the entire world depends on. We must not hesitate for a second to fight these terrorists, particularly their leaders, and to bring them to justice. We must identify and break up their networks as well as stop the flow of money used to finance terrorism.

This is extremely important. But it's not enough. We need to open our eyes to the fact that the extreme dependency of the global economy on oil enormously increases our vulnerability to this kind of terrorism. We need to expand the use of renewable and decentralized energy sources in order to help increase security in the One World we live in.

Climate change continues to be, by far, the greatest environmental threat we face. The nightmare scenario in which deserts would expand and large parts of the world would be flooded can be avoided only if we radically reduce greenhouse gas emissions. In light of this fact, increasing the use of renewable energies will be a means of providing environmental security and protecting the lives of millions of people. I think this, too, is something that makes this conference in Bonn so important.

We are not starting from scratch with this project for the future. We are continuing what we started together in Rio in 1992 and in Johannesburg in 2002. There, at the World Summit on Sustainable Development, the participating governments declared that there is a need to increase the use of renewable energies. At the same time, we need to bring about a radical increase in energy efficiency. We said that we cannot wait until all the countries of the world finally get around to signing and ratifying the Kyoto Protocol. We said that we need to act now if we want to make electricity and heating based on renewable energy sources available to a billion people by the year 2015. It was because we didn't get around to defining specific targets in Johannesburg that I issued an invitation to this conference. I am very grateful to you for attending. The presence of delegates from more than a hundred countries shows that there is a growing willingness in the international community to assume responsibility for a sustainable energy policy. The industrial nations, the emerging economies, and the developing countries all bear this responsibility together.

Germany is on its way to achieving greater energy efficiency and has made significant progress in recent years in the process of increasing the use of renewable energies. I hasten to add that this has not always been easy. We have had to overcome strong resistance. We have had to change mindsets. But we have moved forward in this. Since 1990 we have increased our energy productivity by 24%, a good indication of efficient energy use. Over the past six years we have doubled the amount of electricity we generate from renewable energies. As a result of these efforts Germany has reduced its greenhouse gas emissions by 19%. At the same time a growing number of jobs are being created by producers of wind-powered generators, solar panels, solar collectors, and other renewable energy technologies.

It is important to note that around 120,000 people in Germany are employed in these industries. Around six billion euros are invested in renewable energies every year. I emphasize this because it shows that there is nothing more absurd than the claim that there is an irreconcilable conflict between environmental protection, on the one hand, and sensible economics, on the other. The figures I have given for Germany show that a respectable and growing production sector has developed here. It is the responsibility of the countries who are ahead of others in terms of environmental technology development to set a good example. Who will make it possible for other countries to participate in these developments if not the countries that have the most advanced technologies? We want to move ahead in this direction. But it is only when we are able to bring about a significant reduction in the cost of renewable energies that we will have improved opportunities to promote their use in poorer countries.

The European Union set itself the target of increasing the use of renewable energies to generate more than 20% of the electricity supply by 2010. The European Commission recently noted that we will not achieve this objective unless member countries undertake additional efforts. Germany is doing its part with a broadly based program to promote the use of renewable energies.

At the same time Germany is assuming responsibility with regard to the global situation. In Johannesburg I pledged that in the framework of its development assistance programs Germany would, over the next five years, invest 500 million euros to promote the use of renewable energies and a further 500 million euros to promote increases in energy efficiency. Our commitment has started to bear fruit. Germany is helping many countries in

Africa and Asia to expand their use of renewable energies and to make energy systems more efficient both in the producer and the consumer sectors.

Together with the French and Afghan governments we are implementing a program that will fundamentally improve energy supplies in Afghanistan. In East Africa we are helping with the construction of power plants that will produce electricity from geothermal energy. In Egypt we are helping with the construction of a windfarm that will provide enough electricity for 340,000 households. Together with the UN Environmental Programme we intend to finance a competence center in Nairobi that will develop know-how for the countries of the region with a view to helping them exploit these energy potentials. We are expanding our assistance for Latin America and the Caribbean. Here at this conference we are concluding a partnership agreement with the Inter-American Development Bank for this purpose. I discussed this subject with the President of Mexico and we agreed to look for ways of jointly organizing bilateral energy research.

The German government will create a special facility for renewable energies and energy efficiency in cooperation with the Reconstruction Loan Corporation. The fund will have a financial volume of up to 500 million euros and starting in 2005 will be used to provide low-interest loans over a period of five years to governmental and paragonmental institutions, banks, and private individuals for investments in developing countries.

Increasing energy efficiency and the use of renewable energies is a double strategy for achieving sustainable energy supplies worldwide. This is, by the way, the best answer we can give in response to the current rise in oil prices. It's a rational answer, not a populist one. We don't need answers of the latter kind. I'm certain we will judge successful economies in the future on the basis of how well they apply this double strategy. This doesn't mean there's a uniform recipe for expanding the use of renewable energies. A good energy policy needs to develop the potentials of a country or a region in accordance with the given economic, social, and environmental conditions. Mindful of this, the program of action will contain goals and measures that governments and other players can adopt voluntarily.

The focus will be on achieving national and regional targets which many governments have already set for themselves or are in the process of setting. In order to achieve our targets we need to establish a partnership between the industrial and the developing countries. Together we will be responsible for seeing to it that our natural resources are preserved for future generations. Since the industrial countries are currently responsible for three fourths of the energy consumed in the world, it's their duty to take the lead. But emerging countries like China, India, Brazil, and Mexico also have a responsibility to see to it that their fast-growing economies make an effort to protect natural resources.

Under this joint responsibility our objective must be to create as many situations as possible that economists would call "win-win situations", i.e. cooperative relationships both partners profit from, such as the modernization of old power plants. In many countries coal will continue to be the main source of energy for a long time to come, since it is the only fossil fuel available in large quantities in many countries. Power plants with low levels of energy efficiency waste natural resources and pollute the environment. All the more important then to burn coal in power plants that have high levels of energy efficiency. The modernization of coal-fired power plants in Russia or China, for instance, would go a long way towards helping to prevent climate change so that partnerships for the modernization of power plants must be considered an important factor. Indeed, this is a focus of German development cooperation in many countries. Many partners have accepted our offer to share our advanced engineering know-how in this area. Another example has to do with expanding the use of renewable energies in countries with large reserves of fossil fuels such as oil. By reducing their own consumption of these resources they can make these reserves last longer.

We will all be judged in terms of our ability to present a program of action that will actually help to expand the use of renewable energies around the world. Activities on the part of

governments and international institutions, combined with nationally and regionally differentiated targets, will be the core element of this. What is needed for the developing countries now is to place the financing of renewable energies on a broader basis. I strongly welcome the fact that the World Bank wants to make this a focal interest. We will advocate that the financing of renewable energies be expanded to include regional development banks.

However, initiatives by private industry will be of primary importance here. The expanding use of renewable energies will create a major growth market in the future, a market worth investing in. New technologies and the management of energy supply systems will require the professional services of specialist companies and the contribution their know-how in this sector.

Most of the "global challenges" we face are not yet being addressed by us globally. In the United Nations framework, for example, renewable energies continue to play a subordinate role. There are lots of organizations that include them in their agendas but I still don't see a source of impetus that would steadily move things forward towards achieving this objective on a global scale. On an issue like energy supplies we need to develop new partnerships and networks in which governmental, non-governmental, national, and international players can work together continuously.

If what I read in the newspapers was correct, the International Parliamentary Forum held on the sidelines of the conference yesterday arrived at the same conclusion, although the precise nature and legal form of this cooperation was not defined there either. Nonetheless I think that the forum provided important impetus that should be taken into account.

The Kyoto Protocol is of outstanding importance in this connection. Its flexible instruments support the process of modernizing our energy supplies. The Kyoto Protocol creates incentives for industrial countries to invest in renewable energies in the developing countries. The greenhouse gas emissions avoided in this way can be credited to the investors. There are major opportunities here for tangible progress on the road to sustainable energy supplies both for industrial and developing countries. But it is clear that for this to be possible the Kyoto Protocol must go into effect. As such, I hope that Russia, in particular, but other countries, as well, will soon ratify it. The message to our friends in Russia should be that the measures provided for in the protocol constitute an excellent opportunity for the country to modernize its energy sector.

This conference shows that the international community is capable of addressing issues of urgent importance for the future, despite having to cope with occasional problems in difficult times. We will need to satisfy high expectations and set a precedent for courage, responsibility, and confidence. In my view, the aim of achieving greater development and prosperity, better climate protection, and a larger measure of security through renewable energies justifies all the efforts involved. With this in mind, I wish you every success at this conference.