

Global tensions risk clean energy progress: IEA chief

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With low humidity and long hours of sunshine, the southwestern African state of Namibia hopes to become a giant in solar energy.

The head of the International Energy Agency urged the United States and China to set aside their differences and align on climate change, warning in an interview Monday that "geopolitical fractures" risked



holding back the clean energy transition.

Speaking at the African Climate Summit in Nairobi, Fatih Birol told AFP that these international rifts, partly stoked by Russia's invasion of Ukraine, are "becoming more and more pronounced".

"When I look at the future of <u>energy</u> and climate, I see that the best and most optimistic agenda is that <u>clean energy</u> is set to dominate the game," he said.

But he said geopolitical tensions were casting a "big shadow" because "international collaboration between the major players will be much more challenging".

That is a problem, with the world currently moving too slowly to meet the Paris Agreement goals to limit warming.

He singled out the US and China, the world's two biggest emitters, urging them to come together at the crunch COP28 climate talks in Dubai in November-December and "leave aside their tensions"—both geopolitical and economic—to seek joint or at least common positions on key issues.

The November climate summit in oil-rich United Arab Emirates will likely be dominated by clashing visions on energy.

Birol told AFP that global tensions were "definitely" holding back progress in the clean energy transition and warned of a "big pushback" from some countries and companies, without naming them.

But he said despite this change is happening, with more than 80 percent of the power plants built in the world last year focusing on <u>renewable</u> <u>energy</u>.



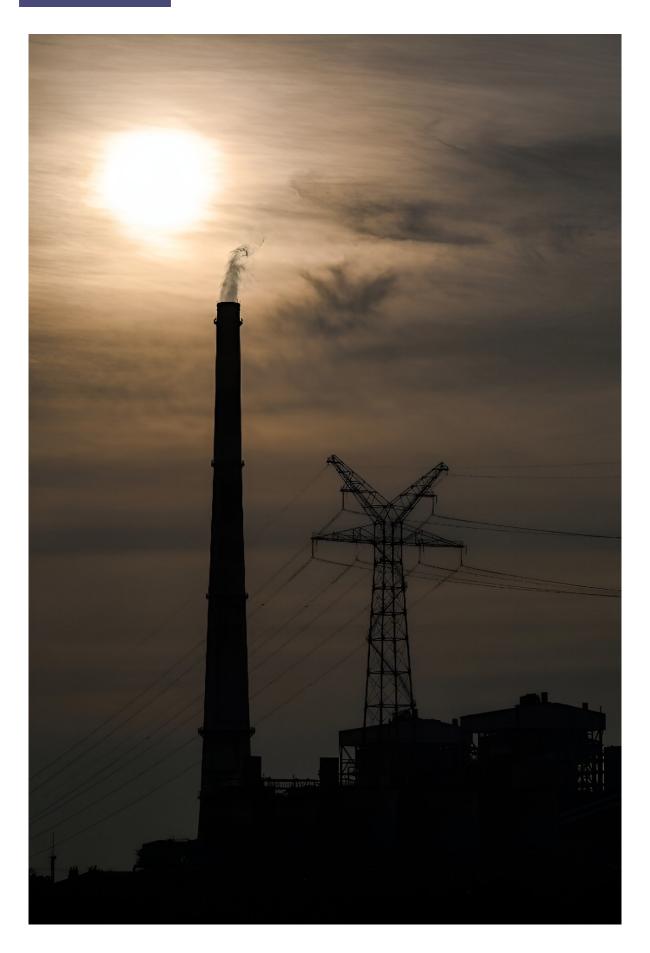
'Injustice'

Birol said Africa was primed to play a "pivotal" role in the energy transition, with huge renewable potential and some 40 percent of the critical minerals needed for batteries and hydrogen fuel cells.

He said that countries in the region might need to continue to exploit their gas resources for certain activities, which he argued would not significantly increase the continent's tiny carbon footprint—roughly 3 percent of global emissions.

The energy chief urged the <u>international community</u>, particularly Western countries, to accept this and avoid "naively dogmatic" prescriptions for the continent that could exacerbate rifts.







Carbon legacy: The Wujing coal-fired power plant in Shanghai.

Instead, he said the international community should focus on helping Africa realize its "huge potential".

He said it was an "injustice" that around half of the population on the continent did not have access to electricity, despite the fact that Africa hosts 60 percent of the world's best solar energy resources, with solar now the cheapest way to generate power.

Meanwhile, he said millions of people across Africa use open fires or basic stoves to cook, exacerbating respiratory illnesses, particularly among women.

Birol said both issues could be fixed with about \$25 billion—the approximate cost of one new LNG terminal.

Singling out the oil and gas companies who have said access to energy is a key priority, he added that it would cost \$4 billion—or roughly less than 0.1 percent of the revenues the major fossil fuel firms racked up last year—to help millions access clean cooking technologies.

"This is in my view a litmus test for them, how serious, how sincere they are," he said.

Money matters

Currently, only about three percent of energy investments worldwide are made in Africa.



African countries are also hamstrung by rising debt costs.

Pressure is mounting for a retooling of the international financial architecture to better align with climate goals and green development, particularly as the International Monetary Fund and World Bank prepare for their autumn meetings in October.

Birol said the two institutions had "failed the test", calling for promising recent statements to turn into real action on boosting concessional finance and unblocking lending.

Globally, a particular worry is relatively new existing coal <u>power plants</u>, mainly in Asia, with decades left on their expected lifecycles.

They could counteract all other progress if they are not retired early, he said.

But despite this, Birol said energy transition was well under way and "moving much faster than many people realize".

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