

International energy policy

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Ladies and Gentlemen,

I would like to start by thanking the Renewable Energy Research Association for inviting me to this annual conference.

I am sure that most of you will be familiar from your day-to-day work with the German Federal Ministry of Economics, the Federal Ministry for the Environment and the Federal Ministry of Transport, Building and Urban Development as the main bodies that implement the federal government’s energy policy. However, one thing is clear: Energy policy is no longer a national affair. It is very much a current issue that is debated very intensively both bilaterally between states and also in multilateral forums. The international political arena is increasingly getting involved; after all, the economic prosperity of humankind is dependent on this issue. In addition, this is an area of politics where individual states acting alone can achieve little. Only coordinated international efforts will lead to success. For this reason, German Federal Foreign Office provides intensive support for international debate on energy policy in close cooperation with other organs of the federal government.

After all, one thing is certain: Our national strategy for secure and climate-friendly energy supply can only be successful if we coordinate it with our international partners. In the areas of energy and climate protection, we cannot act alone. CO₂ emissions change the climate worldwide regardless of whether they come from a car in Germany or from a coal-fired power plant in China. German oil consumption influences the world market price via the oil markets and thus also affects consumption in other regions of the world. German investments in renewable energies and progress in research can reduce the prices for equipment – as can be currently observed in the case of photovoltaics – and thus stimulate further investment in sustainable energies worldwide. Successes and failures in energy research today will decisively shape the global energy system of tomorrow.

We have to think and act in an increasingly global manner as regards energy policy. Of course, we must also not lose sight of the development issues that are closely associated with the energy issue. There are still 1.6 billion people worldwide who have no electricity. They are waiting for energy supply methods that are decentralised and affordable. In order to create fair opportunities for development, we must structure access to energy reserves in a transparent manner and take new approaches to energy supply that do not threaten the common foundations for human life. The main issue here is to significantly reduce dependence on fossil fuels and, in turn, the emissions of greenhouse gases.

We are faced with a three-pronged challenge both nationally and internationally. We have to:

1. Prevent a climate catastrophe
2. Achieve a secure energy supply
3. Keep development opportunities open

If we fail to meet this triple challenge, the consequences for the international community and for German foreign-policy interests will be disastrous. On the other hand, if we succeed in finding the correct responses to these three challenges, this will contribute positively to our foreign-policy goal of achieving a stable and peaceful world order. This is why the success of renewable energies worldwide is so important for our foreign policy. Renewable energies are the only answer to all three of these questions at the same time. There are certain energy technologies that represent a partial response to one or two of these three challenges. The attraction of renewable energy sources is that a breakthrough for renewables will simultaneously prevent a climate catastrophe, create a long-term, secure energy supply and open up opportunities for development to all.

Based on this consideration, it is self-evident that responsible foreign policy must support and promote the breakthrough for these technologies in every way it can.

Coal and oil fuelled the first and second industrial revolutions, and the breakthrough for renewable energies will now spark off a veritable third industrial revolution. Germany has already undertaken major steps in starting off this revolution. We must now ensure that other states follow our lead. After all, Germany will not be able to achieve this energy revolution alone. I regard this as a central task for our foreign policy. We must explain the advantages of a switchover to renewable energy sources to our partners worldwide, and we have to show them the approaches necessary to implement this switchover. We also have to give them a helping hand so that we can all travel this path together.

We Germans are particularly credible partners for many states around the world because of the success of our policy up to now and because of our leading position in research.

Just how successful our support mechanisms in Germany have been is shown by a study by the International Energy Agency (IEA). It confirms that Germany and other states, including Denmark, Spain and Portugal, provide the most effective support for renewable energies. The IEA also notes that the certainty with regard to framework conditions provided by feed-in systems with fixed remuneration creates a stronger investment incentive than the amount of the tariffs alone.

The positive experience we have had with the German Renewable Energy Sources Act is one of our most convincing arguments. So far, over 40 states worldwide have passed similar acts or been guided by the German act in their promotion of renewable energies. Countless other states are interested in applying the act too. The Renewable Energy Sources Act is a German-made success story, and is also a stroke of luck for our foreign policy. In this way, we can actively offer our experience to other states. Flagship projects in Germany – I am thinking here of the second-biggest solar farm in the world in Lieberose and of the solar tower power plant in Jülich, which were both opened recently – also ensure that we continue to be prominent pioneers for renewable energies.

Our leading role in the area of renewables represents both an opportunity and a responsibility at the same time. It is a major opportunity for the German economy and for renewable energy technologies with the “Made in Germany” brand. However, it also leads to certain obligations: If we don’t drum up enthusiasm for renewable energies on the international stage, who else will do so? For this reason, we are using our good reputation to promote renewable energies worldwide.

IRENA, Mediterranean Solar Plan and Desertec

Probably the greatest success of this policy so far has been the founding of IRENA, the new international organisation for renewable energies, in Bonn on 26 January 2009. The idea for IRENA originated in Germany, and Germany was also the driving force behind the process of setting up IRENA. IRENA will give renewable energies a voice worldwide and will advise governments how they can switch their national energy supply over to renewable energy sources as quickly as possible. IRENA, which probably would not exist without Germany’s involvement, already has over 130 member states today and will help to pave the way for renewable energies in its role as one of many global institutions. Germany will continue to retain an important role in IRENA: The IRENA Innovation Centre in Bonn is to be the source of important stimuli for the ongoing development of renewable energies.

IRENA will contribute to the progress of the expansion of renewable energies worldwide. As Europeans, we have a particular interest in the progress of renewables in our own region and in our vicinity in particular. For example, there are major opportunities in the Mediterranean region for the harnessing of energy from renewable sources. Within the context of the Union for the Mediterranean, we are working together with our partners on the “Solar Plan”, a solar energy programme for the Mediterranean region. Our main aim here is that the potential of renewable energies around the Mediterranean be harnessed.

We are also providing extensive accompanying support to the new “Desertec Industrial Initiative” consortium.

This consortium could provide new expertise and implementation opportunities for our solar energy programme. Within the context of German foreign policy, we wish to help in the creation of instruments and a framework that will allow this consortium to be successful.

One example here is that the German Federal Foreign Office is currently helping to pave the way for renewable energies in North Africa by financing the “UniSolar” programme being implemented by the DLR, which will support the expansion of solar power in North Africa.

What we need for the next step with the “Mediterranean Solar Plan” and – depending on the feasibility study yet to be completed – also for Desertec are equipment and grids. I do not regard direct investment as the task of the state. Our job is to create the political framework so that the existing potential for economic cooperation can be harnessed in a systematic manner. We are working to provide security for the necessary investments and to put in place sensible rules so that these investments can provide the best results for all participants.

Strategic energy partnerships

In addition to these specific initiatives, the Federal Foreign Office is also working on the integration of climate protection and energy policy issues into all areas of foreign policy, security policy, foreign trade policy and development policy. Nowadays, diplomacy also includes energy and climate diplomacy.

On the one hand, we will have to deal with governance issues in the future to a greater extent. We aim to create an international framework for energy relations that will provide dependability and thus greater security. Financing, production, trading and the respective shares of gas, oil and renewable energies in overall energy consumption are largely determined by a system of institutions and rules.

On the other hand, we will be building on strategic partnerships with individual countries. Here too, politics can open doors for business and vice versa.

We take advantage here of the opportunities offered by bilateral dialogue in all issues relating to energy relations, such as joint research or the exchanging of best practices. Dialogue on the matter of renewable energies also plays an important role in our strategic partnerships.

We have already set up a forum for dialogue on energy and climate matters with the USA in the form of the “Transatlantic Climate Bridge”. We aim to further intensify this dialogue in the coming months, particularly in the area of energy research. We have established energy partnerships not only with the west, but also with the north and south: I would like to highlight here our energy partnerships with Norway and Nigeria, and an energy partnership with Angola is currently being planned.

We are also working to increase the importance of energy issues in our foreign relations in a European context too. Russia will remain an important strategic partner in our external energy relations. I am convinced that we can integrate Russia even more strongly into European economic structures with a wide-based modernisation partnership. By doing so, we would also be improving European energy security significantly.

The role of energy research

What role does energy research play in these efforts by the Federal Foreign Office? One can do so much promotional work for a given product, but the product will only be successful if the quality is right. Germany enjoys a lot of credibility based on its successes with renewable energies up to now in terms of research, energy management and policy. However, we cannot allow ourselves to rest on our laurels in this regard. We must consolidate our credibility anew every day by continuing to push forward. We want to continue to increase renewable energies' share in the energy supply. We want to expand electricity grids in order to ensure

supply security in the context of increased input from renewable energy sources and decentralised power plant structures. We want to increase our energy efficiency.

We want to find and implement better solutions for energy storage in order to be able to better integrate renewable energies into the grid. We need fossil-fuelled power plants that can be controlled more flexibly, along with energy storage systems and better load management.

Energy research plays a crucial role in all these challenges. After all, it determines the feasibility, security and costs of these measures and thus the degree to which they can be implemented politically, both nationally and worldwide. We must retain our position of world leadership in energy research and renewable energy technologies in order to remain credible as a promoter of renewable energies.

Partners that have followed our example also expect support from Germany in pressing matters such as the grid integration of renewable energies. The more German research makes us able to provide this support, the more credible our efforts will become.

German energy research and German foreign energy policy thus form a symbiotic relationship with one another. Each can benefit from the other. Excellent achievements in national energy research, productive international research co-operations and tangible results in renewable energy research are extremely strong arguments in the context of political dialogue with our partners. The growing political interest in issues relating to energy supply and renewable energies can and will in turn open up better framework conditions and new opportunities for research cooperation.

International research cooperation is also an area which is becoming more and more important in foreign policy. On the one hand, this is because a large fraction of global knowledge is of course not generated in Germany. Networking with science locations worldwide is in our interest so that we can benefit from this knowledge too. On the other hand, the major challenges facing the world can only be solved by acting together.

For this reason, the Federal Foreign Office strongly supports international research cooperation. I would like to mention just two examples here.

Around 20 German diplomatic missions abroad in locations with high potential for innovation have scientific officers. These include Moscow and Washington, along with Beijing, Tokyo and Brasilia. They maintain contact with the research ministries and institutions of their host countries, keep themselves informed of the latest developments in these countries and report on these. They also support politicians in the area of science, companies active in research, and scientists and researchers from Germany in their work abroad. The Federal Foreign Office intends to further expand this network of science officers next year.

Secondly, the Federal Foreign Office provided the impetus this year for the creation of “German Houses of Science and Innovation”. A whole range of German research and science organisations are active abroad. They have excellent projects, offer very good stipends and contribute to Germany’s good reputation. However, their contribution to our good reputation could be even stronger if they presented themselves in a joint, coordinated manner. For this reason, we have begun to establish “houses of science and innovation” in five pilot locations – São Paulo, Moscow, Tokyo, New Delhi and New York. The organisations will now present themselves under this single umbrella and provide their services in a coordinated manner. We intend to include further important locations after the pilot phase that will last around another two years. We would be delighted if the Renewable Energy Research Association were to show interest and participate in the “German Houses of Science and Innovation” initiative.

As you can see, diplomats and energy researchers can do a lot to help either in their work. With this in mind, I hope that this event will help to strengthen dialogue between the fields of diplomacy and energy research and that it will open up further opportunities for cooperation.