

Fifteenth session of the IRENA Assembly

Side event

11 January 2025, 12:30 – 14:00 GST

St. Regis Hotel, Saadiyat Island, Abu Dhabi

Energy Transitions across the Mediterranean: Enabling Infrastructure for a Sustainable Future

Background

The Mediterranean region stands at a pivotal moment in its energy transition. Faced with evolving energy demands and the urgent imperative to address climate change, the region possesses an unparalleled opportunity to harness its abundant renewable energy resources and emerge as a global leader in the clean energy economy. The Mediterranean, with its exceptional solar and wind resources, its strategic location bridging continents, and its potential for green hydrogen production, is ideally positioned to drive this transformation. At a pivotal moment in history, with only five years left to achieve the UAE consensus goal to triple renewables until 2030, much momentum is unfolding around the Mediterranean's potential for the energy transition:

In October 2024, the Declaration of the 11th Summit of the Southern EU Countries (MED9) called for transforming the Mediterranean and Southern Europe into a hub of energy corridors, on establishing interconnections contributing to the energy transition and enhancing energy security, on the completion of the EU internal energy market and on ensuring affordable energy prices for the economy and residential sector. Earlier that year in June, the second MENA-Europe Future Energy Dialogue called in its Thessaloniki Declaration on enhanced cooperation between the European Union, the Mediterranean, and Gulf Regions, and the need for strong and coordinated mobilisation of financing for the implementation of required cross-regional and cross-border energy infrastructure projects.

The southern Mediterranean countries harbour vast untapped renewable energy resources, with a potential capacity exceeding 2300 GW for solar and wind power by 2050. This presents a remarkable opportunity not only to meet the region's own growing energy demands but also to become a major exporter of clean energy to the European Union (EU) and beyond. The continuously declining costs of renewable energy technologies, projected to reach as low as €16/MWh for both solar PV and onshore wind by 2050, further strengthens the economic viability of this transition.

Green hydrogen emerges as a cornerstone of the Mediterranean's energy future. The Mediterranean region's advantageous conditions for renewable energy generation, combined with falling production costs, position it as a potential global hub for green hydrogen and its derivatives, such as green ammonia. Realising this transformative vision requires a concerted and collaborative effort.

Strengthening regional cooperation through expanded electricity interconnections between the southern Mediterranean and the EU is essential for facilitating cross-border electricity trade, enhancing grid stability, and optimising the utilisation of renewable resources.

Beyond energy generation, the Mediterranean region possesses considerable potential for developing a vibrant clean technology manufacturing sector. Its strategic location, competitive electricity and labour costs, and existing industrial expertise provide a strong foundation for attracting investment and fostering innovation.

However, navigating this complex transition requires addressing key enabling conditions. This includes overcoming challenges such as limited existing manufacturing capacity, skills gaps, supply chain constraints, and the need for coherent policy and regulatory frameworks that incentivize investment and innovation. Strategic partnerships between Mediterranean stakeholders and fostering new collaborative initiatives, are vital for mobilising investment, building capacity, and fostering a thriving clean technology ecosystem across the Mediterranean.

This event will delve into these crucial enabling conditions, seeking to create a collaborative roadmap for unlocking the Mediterranean's vast renewable energy and clean technology potential and ensuring a sustainable and prosperous future for the region.

Objectives

This event will convene Mediterranean stakeholders to:

- **Identify Key Enabling Conditions:** Determine the critical policy, regulatory, market, and financial conditions necessary to unlock renewable energy infrastructure investment in the Mediterranean region.
- **Foster Regional Dialogue and Collaboration:** Create a platform for open and constructive dialogue among Mediterranean stakeholders, including government representatives, industry leaders, financial institutions, and civil society organisations, to share perspectives, identify common interests, and build consensus on collaborative action.
- **Promote a Shared Vision:** Contribute to a shared vision for a renewables-powered Mediterranean, highlighting the transformative potential of renewable energy to drive economic growth, enhance energy security, and mitigate climate change.
- **Develop Actionable Recommendations:** Formulate specific and practical recommendations for policy reforms, market design, and investment strategies that can accelerate renewable energy infrastructure development and create a more integrated and sustainable Mediterranean energy system.

Outcomes

This event is expected to deliver the following key outcomes:

- **Enhanced Understanding:** A deeper understanding of the key enabling conditions for renewable energy infrastructure development in the Mediterranean region, including the specific challenges and opportunities faced by different countries.
- **Strengthened Collaboration:** Increased collaboration and partnerships among Mediterranean stakeholders, fostering a more coordinated and integrated approach to renewable energy development.
- **Shared Vision:** A strengthened shared vision for a renewables-powered Mediterranean, outlining a pathway towards a sustainable and prosperous future for the region.

Guiding Questions

- Which are the key enabling factors to support the implementation of energy security, competitiveness of economy, industrialisation objectives across the Mediterranean?
- What are priority energy corridors, infrastructure, and interconnection projects in the region and what is needed to facilitate investments in these projects?
- What are key challenges for infrastructure development and financing today and what instruments are needed to address those?
- How can fora for multilateral cooperation be leveraged to more effectively coordinate infrastructure development and energy planning in the region? What could a roadmap look like?

Associated Publications

- IRENA, World Energy Transitions Outlook 2024: 1.5°C Pathway (2024)
- IRENA, Planning and prospects for renewable power: North Africa (2023)
- IRENA, Renewable Energy Market Analysis: Africa and its Regions (2022)
- IRENA, Renewable Energy Prospects for the European Union (2018)

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