



ADVANCING INCLUSIVE ACCESS TO SECURE, AFFORDABLE, AND SUSTAINABLE ENERGY SERVICES

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When we talk about advancing inclusive access to secure, affordable and sustainable energy services, we refer to the United Nation's (UN) Sustainable Development Goal (SDG) number 7: "To Ensure access to affordable, reliable, sustainable and modern energy for all", which is pivotal for the realisation of many interlinked SDGs. We also refer to collective actions and rational responses to the common challenges imposed on all of us.

If the commitments outlined in the UN2030 agenda are to be achieved, there is a need for a fundamental shift in the energy structure in favour of fuels that can address these issues. One of our core beliefs at the GECF - as expressed in all Summit Declarations, adopted by GECF Member Countries on the level of Heads of State and Government - is the essential role of natural gas for sustainable development. But to talk confidently about sustainability, we need to look at the long-term future. We develop our forecasts on the basis of the internally developed *Global Gas Model* (GGM), a unique and granular long-term energy forecasting model. The summary of our projections are summarised in the annually published *GECF Global Gas Outlook* (GGO). The most recent results of our modeling demonstrate that fossil fuels will continue to dominate the global energy mix, with a whopping 76 per cent share in 2040. Natural gas will be the only hydrocarbon resource to increase its share, from 22 per cent today to 26 per cent in 2040.

This means it is necessary to highlight the role of natural

gas as a fuel of choice for sustainable development given that it is an abundant, affordable, versatile, flexible and environmentally friendly fuel. It also has significantly lower emissions compared to other fossil fuels. Moreover, it has the flexibility to facilitate the uptake of renewable energy sources.

Natural gas emits as much as 50 per cent less CO₂ than coal when burned and a very negligible amount of less harmful by-products (particulates, NO_x, SO_x...) compared to other fossil fuels. These intrinsic qualities also add to the greater prospects of e.g. LNG in the shipping industry, especially once IMO-2020 will come into force in a few months from now.

Zooming in on the projections up until 2040, most of the population growth will take place in regions with the lowest access to energy and almost no infrastructure. This is another issue that could translate into an important potential for natural gas demand in the future. Of the total 1.7 bn population increase from now to 2040, Sub-Saharan Africa is expected to account for 0.7 bn; another 0.5 bn will come from the Asia Pacific, with India alone accounting for 260 million, almost the size of the current US population.

Africa and Asia currently have the most limited access to energy and the largest fuel substitution potential. Biomass and waste support 36 per cent of the total energy consumption in the domestic sector in developing Asia and 80 per cent in Africa, compared to less than 6 per cent in developed countries. The GECF's calculations show that through proper investment in infrastructure, natural gas can meet the energy needs of these populations while improving air quality and achieving the targets outlined in SDG. This access can take different forms including the supply of affordable gas-fired electricity, the expansion of gas networks to supply new areas and the development of small-scale LNG projects which make gas accessible in small and niche markets.

This supports the GECF's belief that natural gas not only complies with SDG7 but with 8 out of the 17 SDGs as it assists in eradicating poverty, ensuring good health and well-being; it is an affordable and a clean energy source, and a crucial component in combatting climate change. The gas industry is a key player in reaching the objectives of sustainability and security of energy supply by supporting clean actions for a cleaner system. IOCs and NOCs need to work together for the implementation of current best practices to reflect the real value of natural gas in the world energy supply mix. This is determined by increasing inter and intra fuels competition.

About the GECF

The GECF is an intergovernmental coalition that currently consists of nineteen countries, with twelve full-fledged Members (Algeria, Bolivia, Egypt, Equatorial Guinea, Iran, Libya, Nigeria, Qatar, Russia, Trinidad and Tobago, the UAE and Venezuela) and seven Observers (Angola, Azerbaijan, Iraq, Kazakhstan, Norway, Oman and Peru) spanning four continents. Jointly, GECF Member Countries control 70 per cent of proven gas reserves, 45 per cent of gas production, 64 per cent of pipeline gas exports and 54 per cent of LNG exports across the globe.

The GECF is committed to continuing to play a dominant role in ensuring market stability, through the security of supply and GECF Member Countries are reliable suppliers, able to readily meet global energy needs.



The Blockchain system has great prospects for the industry as it covers crypto-currencies and smart contracts

Considering cost is a decisive element in switching from one energy source to another; we believe in the crucial role of technology.

In addition to best practice guidance along the gas value chain (including the ones related to gas flaring), digitalisation of gas services should become one of the key technological targets to ensure the stability of the global market. Technology innovation will be especially important in reducing costs across the whole gas value chain, and in addressing safety issues.

An example of this is the blockchain system, which has great prospects for the industry as it covers crypto-currencies and smart contracts. The main advantages of smart contracts are reduced operating costs, increased efficiency, improved transparency and accountability as well as enhanced security of transactions- all of which are necessary for the sustainability of natural gas supply to the market.

Policies that support the environmental advantages of natural gas and that advance gas- based technologies, e.g. the implementation of new or reinforced emission standards, could be critical for long-term prospects.

To capture gas demand in developing Asian countries, it is important to ensure the sufficient development of import and distribution infrastructure. If the physical and institutional market infrastructure does not adequately mature, coal and renewables will take the market share otherwise allocated to natural gas.

The GECF's core value of cooperation – as stipulated in its *Long Term Strategy* – encourages its Member Countries (MCs) to advocate for policy measures that promote gas through cooperation and appropriate dialogue between producers and consumers, and between governments and energy-related industries. MCs are committed to supporting investments in gas infrastructure and developing downstream operations in consuming markets to a larger extent. We invite all parties involved to continue the positive dialogue to build intergovernmental and interdisciplinary bridges towards a sustainable future. We commend the IEF's role in stimulating the dialogue among all market actors to present different solutions to common issues. And we hope that this multilateral dialogue helps to improve the shared understanding of energy policies to unlock the full potential of natural gas as the fuel of choice. ■