

Opening speech of H.E Mohamed ARKAB, President of APPO and Minister of Energy and Mines of Algeria at the 40th Extraordinary Session of the Council of Ministers of APPO.

Thursday, March 11, 2021, by videoconference

**Your Excellencies, Ministers and Heads of Delegation of the APPO Member Countries,
Mr. Secretary General,
Mr. Director General of AEICORP,
Ladies and Gentlemen,**

It is with great pleasure that I join you in chairing this extraordinary meeting of the APPO Council of Ministers, which is being held by videoconference.

I welcome you all to this meeting of the Council of Ministers. Let me seize this opportunity to congratulate all those who have worked over the past few years to carry out the reform of APPO.

With the reform of the APPO, our Organization is now better equipped to carry out its missions in an environment of emerging challenges and changes.

I also thank my predecessor, H.E. Abdelmajdid Attar, Minister of Energy of the Democratic and Popular Republic of Algeria and President of APPO, for all the efforts made in the framework of this organization.

I would also like to express once again our deepest condolences to our colleague H.E. Abdourahmane Cissé, Minister of Petroleum, Energy and Renewable Energies of the Republic of Côte d'Ivoire for the loss of his father a few days ago. Another sad tragedy for which we offer our condolences to Minister Cissé and to the Government and people of Côte d'Ivoire following the death last night of Prime Minister Hamed BAKAYOKO. May his soul rest in peace.

I also offer our condolences to the Chairman of the Executive Board, Dr. Estevao Pedro, who lost his son, may God the Almighty welcome the deceased into his vast paradise.

Your Excellencies, Ministers Ladies and Gentlemen

We have just been informed that the majority of Member Countries are present at today's meeting. I would also like to point out that I have received letters from two of our colleagues explaining that previous commitments made by their States prevented them from attending the meeting, some suggesting another date.

I could not change the date because, according to the Internal Regulations, the quorum has been reached, and the meeting must therefore hold.

If the presence of the Ministers at today's meeting is a big step forward compared to what was the case before the reform of APPA, it is thanks to the Council of Ministers which has carried out a major reform of our Organization.

We embarked on this reform in recognition of the particular challenges facing the oil and gas industry in Africa, challenges that will become even more apparent as the world strives to shift from fossil fuels to renewable energy.

As the energy transition accelerates, international financing is shifting to non-fossil fuel investments.

The same observation is made in terms of research and development, where efforts and funding are being directed more towards green energy.

In addition, legislation and directives in many countries impose restrictions and financial penalties on the use of fossil fuels.

All these changes and new trends are occurring at a time when our countries are, unfortunately, still very dependent on fossil fuel revenues to finance economic and social development (health, education, security, economic diversification, etc.).

Similarly, we continue to invest our scarce resources in the search for more oil and gas. And we are having some success. A number of other non-APPO African countries are also making huge oil and gas discoveries.

Excellencies, in view of this observation, the question is: for how long can we continue to benefit from our oil and gas resources? The traditional markets are gradually shrinking day by day. We risk having assets tied up, resources that we can neither sell to the outside world nor use fully by ourselves.

This risk is even greater today.

Your Excellencies, Ministers Ladies and Gentlemen

The pandemic of COVID-19, unprecedented in its scope and severity, has caused a shock in our economies and our energy systems, which has exposed the vulnerability of our development systems based on hydrocarbon revenues. Indeed, the latest estimates show that economic growth in 2020 has contracted - 5.5% (IMF), a decline in oil demand of 9.8 mb/d and gas of -3%. With 117 million confirmed cases worldwide, and more than 3 million deaths, the world is engaged in a fight against this pandemic, affecting all aspects of life

That danger is even greater today with the signing of the 2015 Paris climate change agreement, commonly known as COP-21, which announced the biggest push by world leaders to end fossil fuel use as soon as possible, with a target date no later than 2050, in just three decades.

As Your Excellencies are aware, some of the world's key multilateral financial institutions, the World Bank, the European Investment Bank and even private financial institutions have publicly announced their plans to end lending to fossil fuel projects.

Your Excellencies, face of this situation and the obstacles we face, we must find solutions and innovate so that our resources are useful to our people. At the same time, we must also realize that we cannot go against the changes that are taking place or against world opinion. We must balance global change with the particular challenges of our continent.

We are the region of the world that emits the least greenhouse gases, but we are the furthest behind in terms of energy access, energy transition and the introduction of clean or green energy.

Faced with this situation, and especially the very serious economic impacts on our African economies, as well as the delays in development that will result in a future world that will no longer be the same, and which the rules of operation will certainly change, what are we doing, we Africans, to face this situation especially?

The challenges are many, the solutions are difficult but possible, and the path may be long. But without going into the details of the multitude of challenges to be addressed, we have the duty as an African organization to at least lay the groundwork for a joint and united effort to consolidate cooperation in the field of hydrocarbons.

In summary, the prospects for transition to a cleaner energy system encourage us to redouble our efforts to further improve access to energy for our populations in the context of sustainable development and to diversify our economies, using our hydrocarbon resources as a catalyst.

Excellencies, we cannot afford to sit on stranded assets, assets that cannot be useful to our people at a time when our people and our economies need energy to move forward. We must find a way to make our resources useful to our people, even in the face of the obstacles that lie ahead. But we must also realize that we cannot go against world opinion. We must balance what the world has decided with the particular challenges of our continent.

This is one of the main tasks that this Council of Ministers, through Resolution 270 of 2020, assigned to a Technical Ad Hoc Committee on the Study on the Future of the Oil and Gas Industry in Africa in the light of COVID-19 and COP-21. In adopting this Resolution, the Council of Ministers did not ask whether the study should be conducted in-house or whether consultants should be used.

One of the purposes of this Extraordinary Session is to study the recommendation of the Executive Board and to provide guidance on how to proceed with the Study.

Excellencies, I recognize that we all have busy schedules, so I have indicated that this meeting will be short, no more than two hours.

In accordance with established practice, I will invite the Chairman of the Executive Board to present his recommendations. Thereafter, the members of the Council of Ministers will have the floor to make contributions before we take a decision.

Before I conclude my remarks, I would like to thank each of you for accepting my proposal to move the meeting from 11:00 a.m. to 2:00 p.m. due to some urgent and unforeseen developments.

Thank you for your attention.

I now invite the Vice Chairman of the Executive Board, Mr. Richard Tchananti Sahgui, who chaired the 8th Meeting of the Executive Board in the absence of the President of the Executive Council, Mr. Estevao Pedro, to present the report of the 8th Meeting of the Executive Board for consideration by the Council of Ministers.