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Thank you very much. Let me continue on energy and climate issues, which we discussed in a panel moderated by Valérie Ducrot from the Global Gas Centre, who is here on the room and of course, is also available for further comments.

First, I think we enjoyed a very sobering and factual presentation on the fact that geopolitics are back big time. They are affecting energy markets and policies, yet there is a disconnect because that needs to be fully incorporated into policies, especially in net-importing countries in Europe, which is not yet the case. Geopolitics matter, especially in oil and gas as you can imagine, but also increasingly in industrial value chains. They matter because there is an uneven distribution of resources and reserves globally, of oil and gas, but if we mention oil we have about three of the world's largest, or some of the largest resource holding countries under sanctions. That is an unprecedented situation with Russia, Iran and Venezuela, although there are some recent developments to be followed with Venezuela. The point is, this leads to volatility, and it should trigger policies that can ensure resilience. This also points to a mismatch between the falling investments we have seen in upstream oil and gas, for example, and the fact that demand instead of falling and following that trend, has actually been continuing to increase. There is an obvious problem here and we are going to be facing it in the coming years, so do not expect any fall in prices, expect the contrary or at least a lot more volatility.

There is an obviously investment challenge on the fossil fuel side but there is a major investment challenge on the renewables side. We noted that the investment allocated to renewables is increasing year by year and is making spectacular progress, but we must not be complacent because it is still way below what is needed to put us on track for a 1.5-degree trajectory.

Then, we had a very interesting conversation on global energy governance and global energy and climate governance. That highlighted some of the tensions out there between the so-called Global North and Global South and indeed, elements of double-standards have been identified. We also discussed some imbalances created by Russia's war in Ukraine and some of the fundamental systemic imbalances in markets. For example, a large part of the spot LNG market has been siphoned off by the Europeans at the expense of several emerging economies, which I should stress, in no way violates any contractual obligations but just translates a reality where even in a world governed by contracts you still have a market aspect where the ones ready to pay the most get the cargoes and the volumes in the end. Obviously, this was part of the discussion.

Another point that was raised was how we democratize global energy and climate governance. The view was expressed that this governance was weighted towards the North and that some of the leading institutions are based in the North, driven notably by the OECD or the IEA.

Obviously, there is need for rebalancing there and there was a consensus that somehow that needs to be democratized and more dialogue was needed among all the stakeholders. The idea of setting up an energy security council was raised, which is quite interesting although if you start thinking in practical terms you immediately come up with a number of questions and issues. I still think that with rising India and Asia, this definitely deserves to be looked at in the future. Nonetheless, it was pointed out that we already have global institutions or forums such as COP, which actually brings together the North and the South. Therefore, we are not totally in a desert here, there is already something in place, but further work can be done to complement that.

Then we moved onto the many urgent environmental and climate issues and needless to say, there was a reminder that we are in a race against time and ourselves, and we are not on track. There were some interesting perspectives for all of you who may not be energy or climate experts. There was a reminder that it was not just about CO<sub>2</sub>, it is not only about greenhouse gas emissions altogether, but it is equally about greenhouse gas emissions and biodiversity, and the one cannot deliver without the other. These are the two sides that we have to work on and there was a reminder that we just had COP15 in Montreal, which of course regrettably attracts less attention than COP27 or the forthcoming COP28.

Another important element brought into the discussion was that we should not over-focus on supply side issues and supply side solutions. There will be a lot of new technologies coming and we have seen incredible progress there over recent years, but we really need to focus more on demand side solutions and technologies too, especially in electricity systems. The point was made that electricity systems will be increasingly decentralized, though not everywhere because it has different meanings depending on where you are. When it comes to everything being centralized and the way electricity systems have been established in the past 50 or 60 years, we will see changes and we have to think about flexibility on the supply and demand side. The transformation is about electrifying systems but saying that should not ignore the fact that a lot of the focus should be on producing heat. You can produce heat from various forms, and nuclear mentioned as a fundamental solution for that.

We then mentioned two issues that recently popped up in Europe but still have to make their way across the world. One is energy sobriety, which is obviously something for developed economies, if you have nothing or almost nothing it is ridiculous to talk about it. Nonetheless, we see a lot of emerging economies that also have room to improve there. There was also a focus on circularity, reuse, reinject and a major stumbling block that is still to be addressed is how to store electricity in the longer term. That is something for everyone to focus on and it is a new avenue for R&D efforts in particular.

Then, of course, it was noted that a lot of work was still needed to fix the inefficient fossil fuel subsidies, as it is put in official governance declarations. There is obviously still a lot of work to do in both the North and the South and the directions taken with the crisis has not been what would have been wanted.

The last point, and I will end here, regarding the different countries and geographies and we also touched on Russia. There was an interesting perspective for everyone to keep in mind thinking about the future after the war, which is that maybe it is possible that a new post-war Russia might rise based on a commitment to reducing greenhouse gas emissions and to decarbonize the Russian economy. It was mentioned that part of the youngest generation in



Russia is extremely interested in these topics, so I think that gives some hope and light at the end of the tunnel. Thank you very much for your attention and I am happy to give the floor to my colleague.