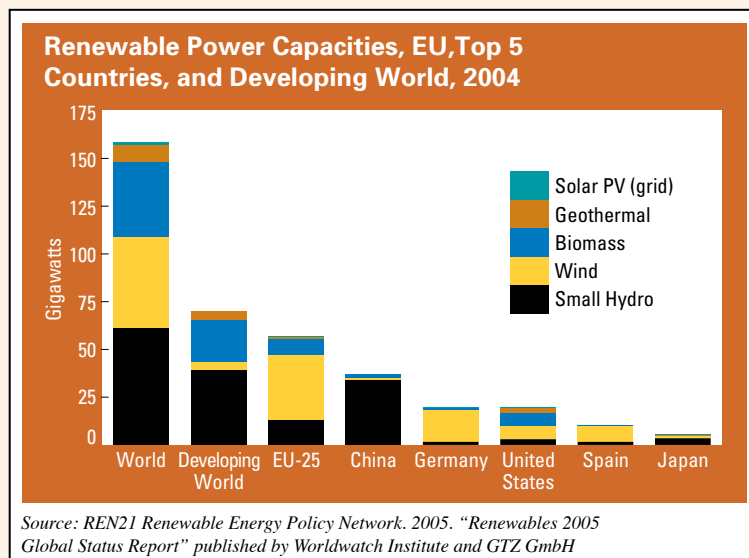


AT A GLANCE: Renewables



Renewable energy is fast becoming big business. The International Energy Agency forecasts that it will receive one third of all new investment in electric power generation in OECD countries over the next thirty years. Developing countries already have almost half of the world's 160 gigawatts of installed renewable power capacity and nations like Brazil, China and India are leaders in developing the technologies.

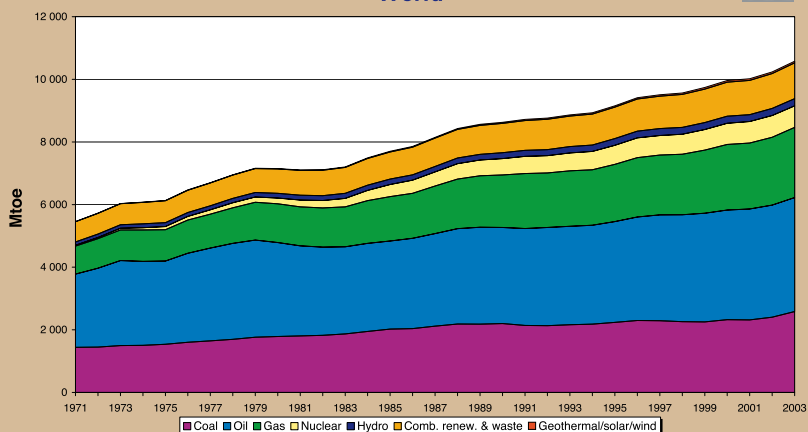
There are more than 4.5 million consumers of electricity from renewable sources in Europe, Japan and North America, says the Renewables 2005 Global Status Report. Over 40 million homes worldwide — more than half of them in China — get hot water from rooftop solar collectors. And 16 million families in developing countries cook their food and light their dwellings with biogas.



Large commercial banks — such as Citigroup, ANZ Bank and the Royal Bank of Canada — are financing it as a mainstream activity. Morgan Stanley is investing in windpower in Spain. Goldman Sachs has bought a US wind development company. Venture capital in US-based clean energy technology companies is approaching \$1 billion a year. The European Investment Bank provided over \$1.8 billion for renewables between 2002 and 2004, and is planning to double these sources' share of loans to energy projects.

Helmut Clever/UNEP/Still Pictures

Evolution of Total Primary Energy Supply* from 1971 to 2003
World



* Excluding electricity trade.

Source: IEA Energy Statistics © OECD/IEA, 2005, <http://www.iaee.org/Textbase/stats/index.asp>

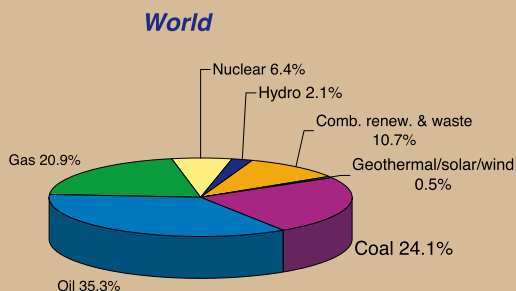
Meanwhile financial flows to new renewables in developing countries are running at almost \$500 million a year — mostly from the German Development Finance Group, the World Bank and the Global Environment Facility; in 2004 the World Bank committed to double its finance for them and energy efficiency within five years. And the Indian Renewable Energy Development Agency has provided almost \$1.5 billion over the last two decades.

Solar photovoltaics is becoming one of the world's most profitable, and fastest growing industries: its capacity connected to the grid grew from 0.16 GW at the turn of the millennium to 1.8 GW by the end of 2004 — an average annual growth rate of 60 per cent — and it covers 400,000 roofs in Japan, Germany and the United States.

Over the same period windpower grew by an average 29 per cent a year, biodiesel by an average 25 per cent and solar hot water and heating by an average 17 per cent. These compare with averages of 3 to 4 per cent annual increase in the capacity of fossil fuel power stations and of 1.6 per cent for nuclear ones.

The Solar and Wind Energy Resource Assessment, coordinated by UNEP, has found that windpower development would be possible on about 13 per cent of the land area of developing countries it surveyed, a vast increase on the one per cent previously estimated; in Sri Lanka, for example, it could provide more than ten times the country's existing electric power capacity. And Brazil has led the world in the use of modern biomass, with energy from sugar cane now meeting 13 per cent of the country's total requirements, including supplying 40 per cent of its gasoline.

Share of Total Primary Energy Supply* in 2003
World

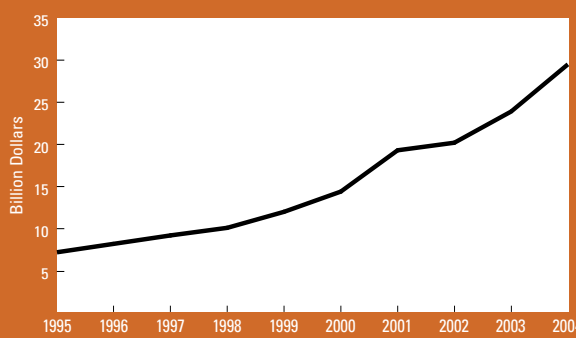


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* Share of TPES excludes electricity trade.
Note: For presentational purposes, shares of under 0.1% are not included and consequently the total may not add up to 100%.

Source: IEA Energy Statistics © OECD/IEA, 2005, <http://www.iaee.org/Textbase/stats/index.asp>

Annual Investment in Renewable Energy, 1995–2004



Source: REN21 Renewable Energy Policy Network. 2005. "Renewables 2005 Global Status Report" published by Worldwatch Institute and GTZ GmbH

At least 43 countries have national targets for renewable energy supply. But all of this is still just a beginning and needs to be vastly expanded. For no other energy sources offer such potential for simultaneously combating both poverty and climate change — the two greatest issues of our time. GL.