

# reflections

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A chill wind has blown through international stock markets, and renewable energy companies have not been immune. A global index of solar stocks, the Claymore/MAC index, fell by over 50 per cent between April — when it started trading — and early November, while the New Energy Global Innovation Index fell by a huge 45 per cent in October alone.

Some have drawn parallels with the dot.com bubble when Internet start-up companies, based on marketing rather than real markets, came and went like mayflies. But this ignores hard and fast fundamentals that should make renewable energy companies far more robust and lasting.

The main driving force, climate change — unlike the stock markets — has steadily grown, not waxed and waned. Scientists studying ice cores in Antarctica estimate that greenhouse gases are now at their highest concentration for 800,000 years.

Serious long-term government commitments are emerging, partly as a result of the Kyoto Protocol and in anticipation of deeper and more comprehensive deal in Copenhagen in 2009. The European Union wants to generate 20 per cent of its energy from renewable sources by 2020, up from just over 6 per cent in 2005. British Prime Minister Gordon Brown has announced a big expansion of wind power — 7,000 turbines on- and off-shore. The U.S. government recently passed the Production Tax Credit and Investment Tax Credit, extending support for wind power by a year and for geothermal and solar power by two and eight respectively. And in the run-up to the elections, President-elect Obama pledged to invest \$150 billion in clean energy over the next 10 years, generating five million jobs.

Meanwhile Clean Development Mechanism projects, now numbering over three thousand, appear unaffected by the financial crisis: new resources are being found and exploited daily, it seems. Countries like Mali and Madagascar, once outside the mechanism, are now accessing it, partly as a result of UN-linked capacity building. And renewables remain the fastest, most cost-effective and most environmentally friendly solution for many of the two billion people still without access to modern energy.

A recent survey in Ghana — part of UNEP and the Global Environment Facility's Solar and Wind Energy Resource Assessment — has found 100 square kilometres of good windy land able to generate 500 megawatts of electricity or 10 per cent of the country's needs. And a consortium including



a Dutch multinational, the German Wind Energy Institute and local investors are planning a 300 megawatts wind farm in Turkana, northern Kenya. Renewable energy companies are no longer small start-ups. Suntech Power, headquartered in Wuxi, China — the world's biggest solar manufacturer — has a market capitalization of \$3.5 billion; First Solar in the United States has one of \$11.3 billion.

The economic models of the 20th century are now hitting the limits of what is possible — both in terms of our ecological footprint and in delivering better livelihoods for the 2.6 billion people still living on less than \$2 a day. Investments will soon be pouring back into the global economy. Will they go into yesterday's old, extractive, short-term economy or into a new Green Economy that will deal with today's challenges and generate countless economic opportunities for poor and well-off alike? Renewable energy generates three to five times more jobs than fossil fuel generation and its ecological footprint is infinitely smaller.

This edition of *Our Planet* marks the climate convention meeting in Poznan, which must be central to the transition to a low carbon, green energy economy. Strategies for long-term cooperative action on climate change must be fleshed out alongside the financial architecture needed to boost investments in renewables and other sectors. Directing the multi-billion stimulus packages being lined up by governments, allied to a reshaping and refocusing of global markets, can assist success.

However the biggest stimulus package of all — which could set the stage for sustainable growth in the 21st century — must come in Copenhagen next year. If the international community can make this a big deal in every sense of the word, we will be a long way to a Global Green New Deal that will meet the genuine development needs of 6.7 — rising to 9 — billion people.

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Cover photo © ADRIAN WILSON / Beateworks / Corbis. 'New Green Deal' is the phrase on the lips of world leaders on the eve of the December 2008 climate change negotiations in Poznan, Poland. With economies in turmoil around the world, and global warming firmly installed at the top of the international political agenda, the development of renewable and clean energy options looks like a classic 'win-win-win' situation: curbing greenhouse gas emissions, addressing growing concern over energy security, and providing new employment opportunities for millions. This issue of *Our Planet* explains how.