

POWER FOR ALL FACT SHEET

The energy crisis promises to be a historic turning point towards a cleaner and secure energy system - IEA's 2022 World Energy Outlook

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ALL**

2 Trillion

TOTAL PROJECTED CLEAN ENERGY INVESTMENT IN ADVANCED COUNTRIES BY 2030 (IN US\$)

774 Million

TOTAL NUMBER OF PEOPLE WITHOUT ACCESS TO ELECTRICITY IN 2022

55%

SHARE OF POPULATION ESTIMATED TO GAIN ACCESS TO ELECTRICITY THROUGH DRE SOLUTIONS (DRE) BY 2050

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The 2022 WEO explores the impact of the current global energy crisis—supply shortfalls and high prices—and how countries are responding to it. The report highlights how increased clean energy investment, fuelled by energy security and the need to meet emission targets, can contribute to job creation and economic growth.

The world is facing a global energy crisis sparked by the Russian invasion of Ukraine, with severe implications on affordability and overall access in the short run

- » The curtailment of natural gas and oil supply from Russia, the largest exporter of fossil fuels, has resulted in higher energy bills and supply shortages.
- » High energy prices have not just affected advanced economies. Populations in developing countries are facing a loss of purchasing power, resulting in increased food insecurity and reduced access to electricity.
- » To address the shortage of energy supplies, many developing countries have increased oil and coal-fired electricity generation.

Looking at the longer run, many governments are now taking steps with the goal of diversifying oil and gas or increasing their commitment to clean energy investment

- » Assuming the trajectory implied by today's policy setting continues, clean energy investment is projected to reach US\$ 2 trillion by 2030 in major energy markets.
- » The increase in clean energy investment is propelled by a host of new policy regimes in advanced economies such as the USA's Inflation Reduction Act (IRA), Japan's Green Transformation (GX), and the EU's net zero goals.
- » In China, the current massive build out of clean energy infrastructure is expected to result in declining coal and oil consumption after the end of the decade. In India, renewables are projected to meet nearly two-thirds of the country's rapidly rising demand for electricity.
- » Excluding China, clean energy investment in developing countries has remained flat since the Paris Agreement in 2015. An international effort is required to step-up climate finance in emerging and developing economies.

The current energy crisis has highlighted the need for just energy transition that ensures energy security, affordability, access, and reliability while also reducing emissions

- » During the energy transition, both fossil fuel-based and clean energy systems are required to function well in order to meet energy demand
- » Even as transitions reduce fossil fuel use, there are parts of the fossil fuel system that remain critical to energy security, such as gas-fired power for peak electricity needs

The current energy crisis, compounded by the COVID-19 pandemic, is set to slow progress towards universal access to electricity and clean cooking, particularly in Sub-Saharan Africa

- » The number of people around the world without access to electricity is set to rise in 2022, reaching 774 million, implying a 20 million increase from 2021.
- » The rise in the number of those without access occurs largely in sub-Saharan Africa, where almost 80% of those without access live, with energy poverty rates nearly back to the highest levels since 2013.

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By the Numbers:

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- » Consumers are now facing rising inflation levels that make getting and maintaining access to electricity less affordable. Solar Home Systems (SHS) costs have increased by 28-36% since 2020 leading households to opt for smaller or lower-quality systems.
- » Another 100 million people may be pushed back to reliance on firewood for cooking instead of cleaner and healthier solutions.

By 2050, 55% of people gaining electricity for the first time will do so with Decentralized Renewable Energy (DRE) technologies such as mini-grids and a standalone systems

- » According to WEO analysis, by 2050, 45% of people gaining electricity access for the first time do so with grid connections, 30% with mini-grids, and 25% with standalone systems. This projection is based on the assumption of achieving 1.5 0C stabilization in the rise in global average temperature, alongside universal access to modern energy by 2050.
- » Investment needed to achieve universal access to electricity and clean cooking in this scenario amounts to around USD 36 billion and 110 million people need to gain access every year from 2022.

Share the Message

- » The energy crisis promises to be a historic turning point toward a cleaner and more secure energy system
- » Just energy transition needs to ensure energy security, affordability, access, and reliability while also reducing emissions
- » Financing mechanisms such as climate finance need to be strengthened so that emerging and developing countries can achieve their clean energy targets
- » The current energy crisis is affecting the progress toward universal access to electricity. Increased focus needs to be given to developing countries to reverse the trend