



Sida's approach to supporting energy efficiency in sub-Saharan Africa

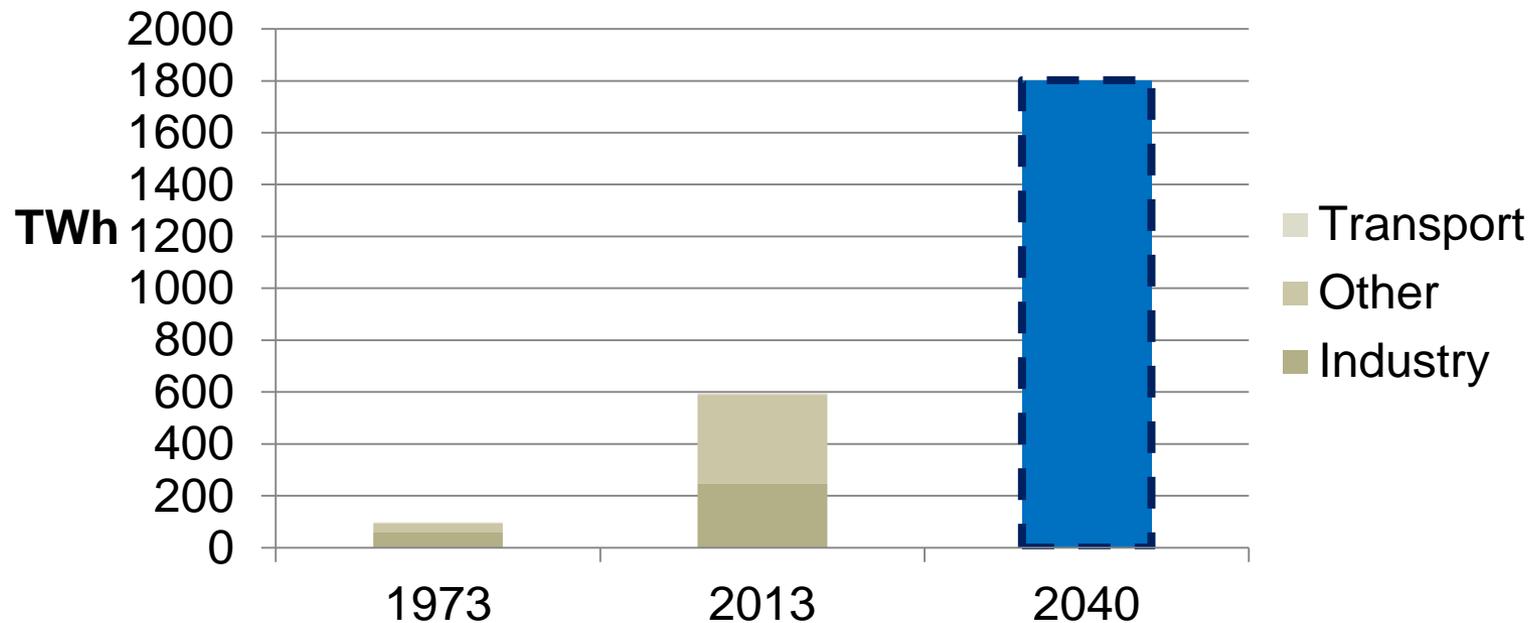
By Monica Gullberg

Efficiency first!

- Energy efficiency is the cheapest and most effective measure to reach sustainable energy for all.
- Investing in efficiency is more cost effective than investing in increased supply.
- New “Pay-as-you-save” businesses can profit on energy savings and lead the way towards cost efficient, low load solutions in growing electricity end-use sectors. Give away programmes will be contra-productive.

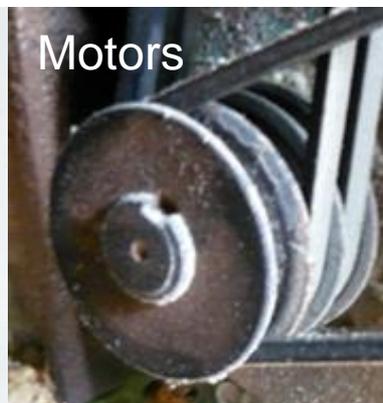
African electricity use will increase

Electricity use per sector in Africa (TWh)



Sources: Key World Energy Statistics, OECD/IEA 2015 (data from 2013)
And Africa Energy Outlook, OECD/IEA, 2014

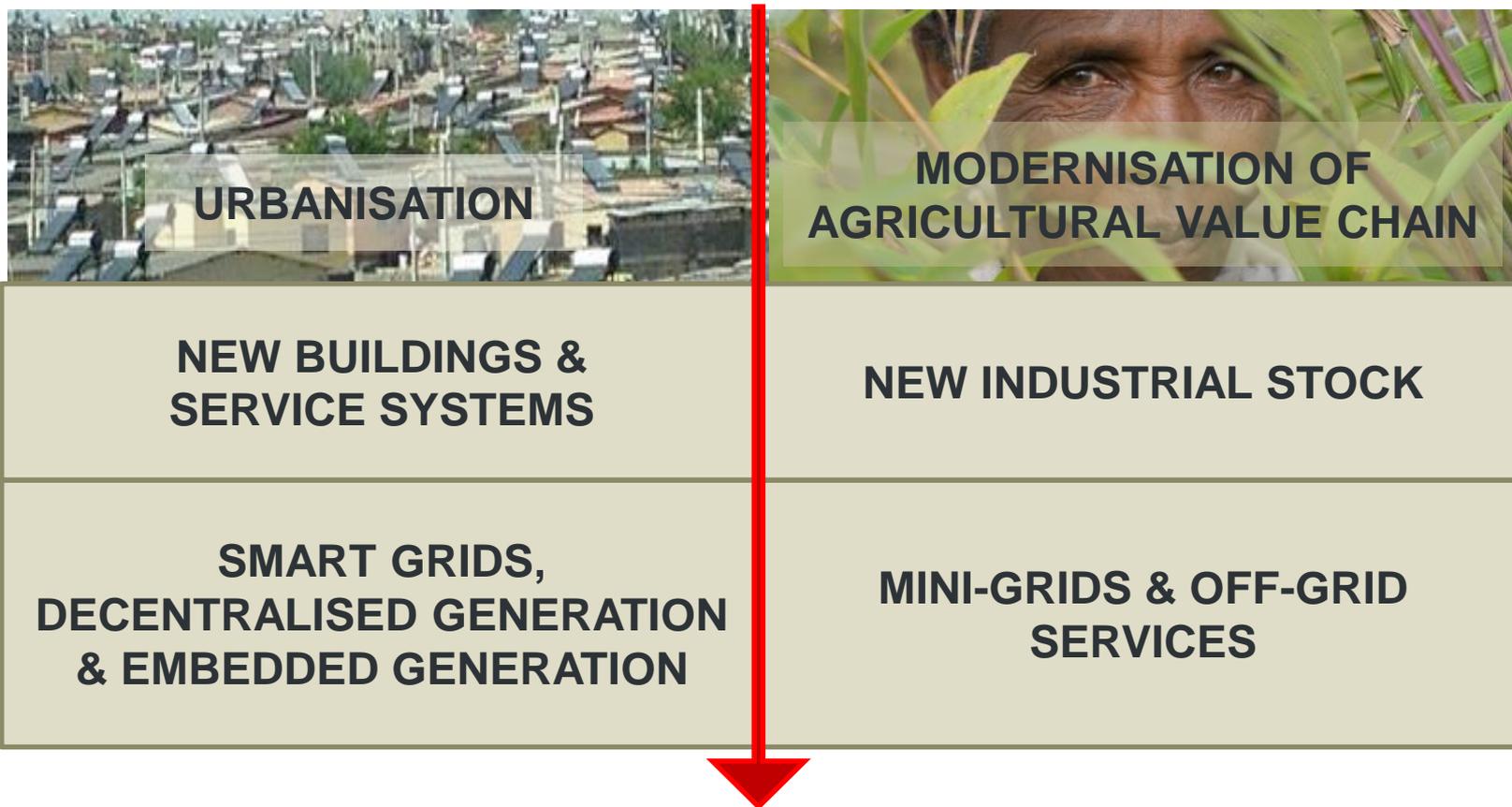
Electricity use will to an increasing extent be lighting, appliances and equipment



It is the non-industrial electricity uses that will increase in SSA, including households, smaller enterprises and buildings of all kinds.

The smallest elements of this electricity use are lighting devices, appliances and equipment.

New emerging greenfield systems





Policy measures for energy efficiency

- **Information:**

To decision makers and the general public, to procurement officers, to real estate owners and to industries. Including statistics and benchmarking data.

- **Specifications and conditions on quality:**

Building codes, labelling or product specifications and standards.

(This can also entail legislation in some country contexts)

- **Governmental provisions:**

For example deploying new technologies or taking the lead for demonstration.

- **Economic incentives:**

E.g. taxes, tradable allowances, fines, subsidies and schemes that allow for the different actors in the energy service delivery supply chain to share the cost and the benefit.

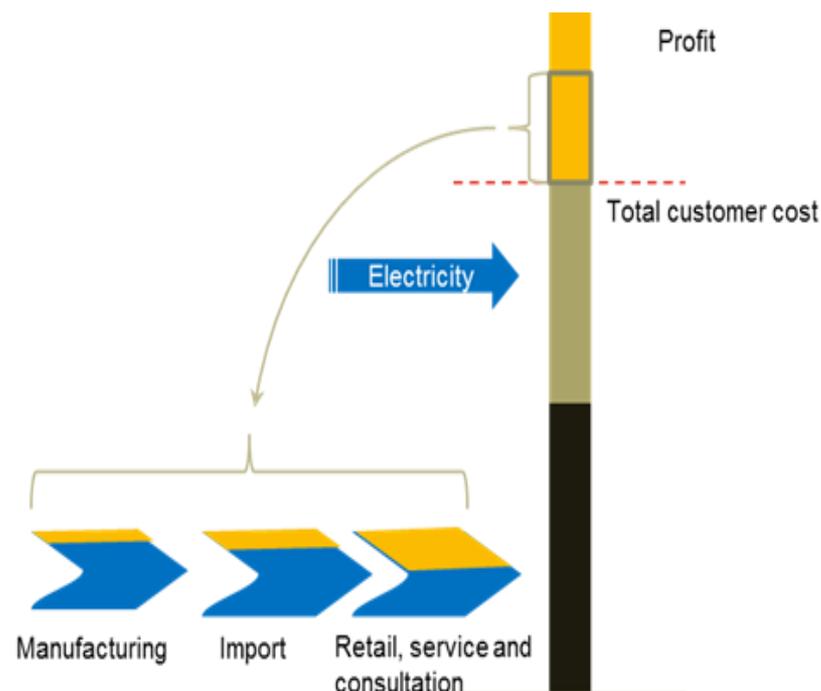
Incentives mechanisms can also include licensing of experts and support to energy service companies on a national level.

A common agenda for specifications & conditions on quality

- Lighting and appliances are traded goods and should be regulated at a regional level, including requirements on safety, energy efficiency, durability, materials and waste recycling.
- Regional harmonisation of standards is particularly crucial since both SADC and AC are in the process of establishing a customs union through the Common Market for East and Southern Africa (COMESA).
- Testing is a grand part of compliance control.

Incentivising businesses to capture this opportunity

- Market based incentives for increased energy efficiency are very cost effective if compared to those for supporting investments in renewable energy.
- To be effective, market based incentives must relate to existing legislation and regulations.
- The Member States' Governments & the donor-community can incentivise business models that act to realise the potential (energy service companies, ESCOs).



More complex = more potential saving, but more difficult

