

Why the time is right to talk about end user subsidies for off-grid solar

- Off-grid solar is the most affordable way to electrify millions of homes & businesses
- 230 million people are expected to miss out on Tier 1 energy access by 2030 (Off-Grid Solar Market Trends Report, 2020)
- COVID-19 is expected to push more than 100 million people into extreme poverty
- Chance to Recover Better: rapidly improving lives and livelihoods whilst mitigating CO2e and boosting resiliency



New Research on End User Subsidy Design

- Unlocking Solar Capital, Dakar, October 2019: Multi-Stakeholder End User Subsidy Session
- Global Off-Grid Solar Forum, Nairobi, February 2020: Multi-Stakeholder End User Subsidy Session
- Africa Clean Energy Program Paper: [Demand-Side Subsidies in Off-Grid Solar: A tool for achieving universal energy access and sustainable markets](#)



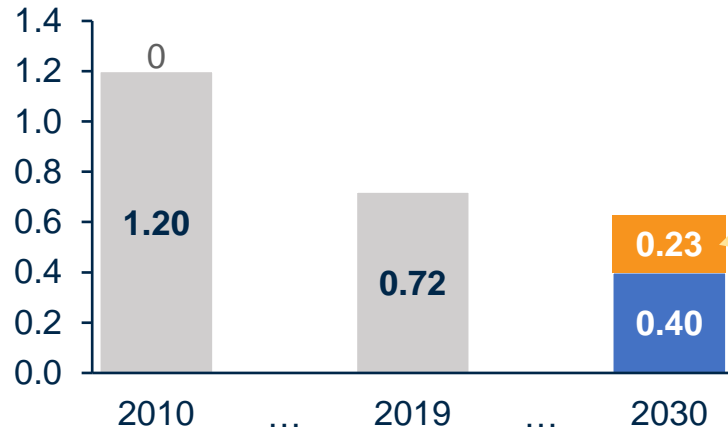
**Demand-Side Subsidies
in Off-Grid Solar:**
A tool for achieving universal energy
access and sustainable markets

Addressing the twin issues of access and affordability



Global electricity access deficit¹

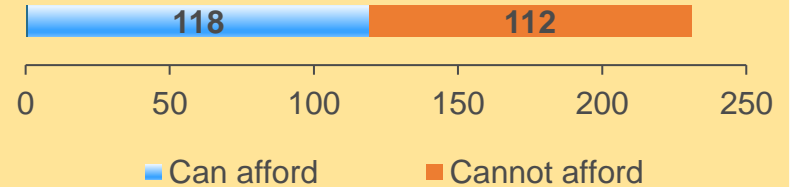
Population (billions)



■ Actual deficit ■ Projected to be served ■ Projected to be unserved

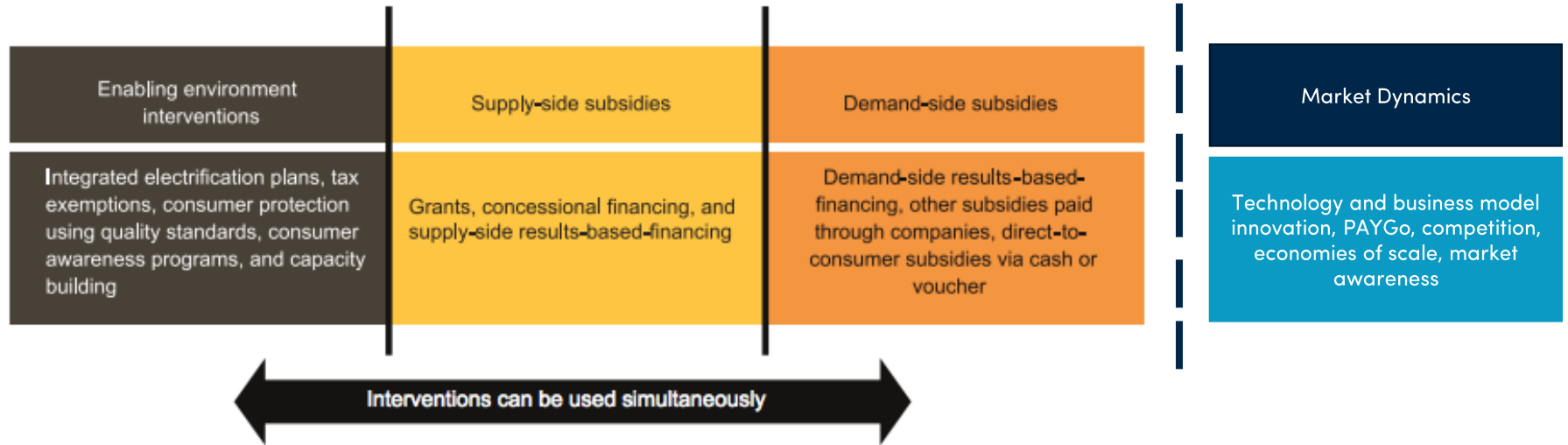
2030 unserved population, by affordability

Population (millions)



Accessibility and affordability will be two of the key challenges to overcome in order to achieve SDG7

Adopting a range of interventions



Using smart design principles



1 Stakeholder consultation and coordination



2 Targeting



3 Subsidy level



4 Verification



5 Capacity building



6 Efficient processes

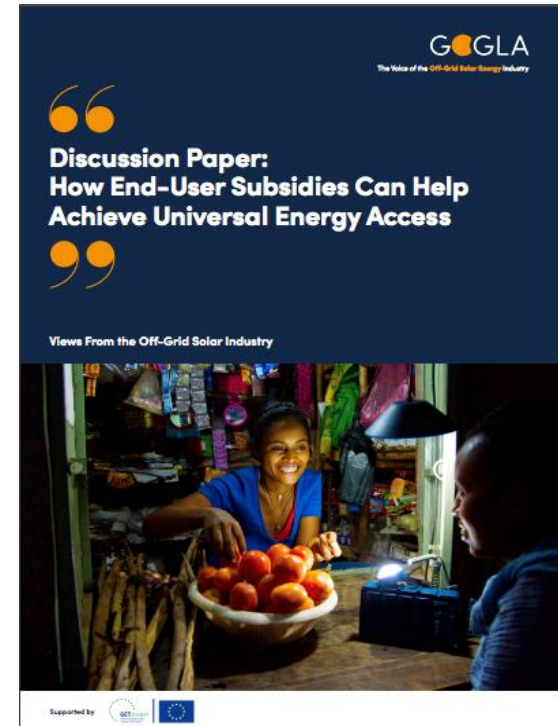


7 Transparency



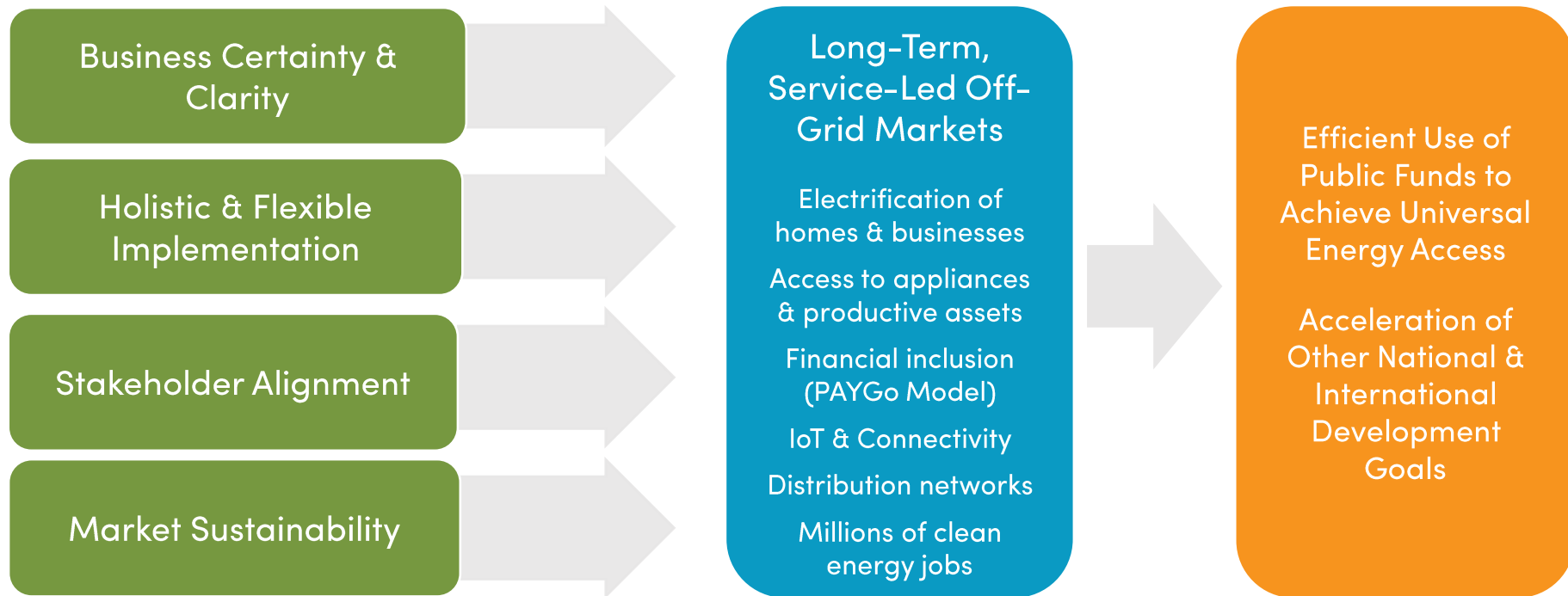
8 Sustainability

- Universal targets will not be met without end user subsidies – change in view since 2015
- Market barrier of affordability now better understood
- End user subsidies must work alongside the commercial market to enable universal access
- Smart ways to achieve sustainable energy access for all will also create jobs, and create ‘beyond energy’ infrastructure
- Just released: [Discussion Paper - How end user subsidies can help achieve universal energy access](#)



How end user subsidies can help achieve universal energy access

Views from the off-grid solar industry



Action on end user subsidies for off-grid solar

- National initiatives are underway, or under discussion, in:
 - Democratic Republic of Congo
 - Ethiopia
 - Kenya
 - Mozambique
 - Niger
 - Rwanda
 - Togo



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