

Information on new support within the Swedish Regional Development Cooperation in Africa

Energy Efficient Lighting and Appliances (EELA)

Introduction

Market transformation for energy efficient lighting and appliances in the EAC and SADC regions.

Investing in energy efficiency is more cost effective than investing in increased supply. Therefore, it is an important measure to reach the Global Goal for Sustainable Development 7: sustainable energy for all.

Business models that capitalize on offering energy efficient services are key to unlocking these opportunities. EAC and SADC regions are battling low levels of access to clean, secure and affordable energy services. The use of low quality and inefficient products is providing sincere constraints to the electricity markets in the regions

Private sector engagement will be a required for the market transformation and market-based incentives for increased energy efficiency will be motivated and cost effective in most countries. To be effective, market-based incentives should relate to existing legislation and regulations.

The Energy Efficient Lighting and Appliances (EELA) program was initiated in June 2019 and will proactively promote pilot business models that can pave the way for energy efficiency service companies to establish throughout Sub-Saharan Africa. Right now, focus is on lighting products.

A regional 5-year EELA project will support a common, regional agenda for regulation and trade harmonization regarding requirements on efficient high-quality lighting and appliances and contribute to awareness raising at all levels. The implementation of minimum energy performance standards as well as test laboratories, compliance certification and market surveillance measures will be supported. Pilot business model concepts will as well be incentivized as part of the EELA project.

The common agenda will provide a ground for collaboration with other initiatives at regional and national level as well. The regional EELA project is special in that it supports the testing capabilities and test laboratories, through the Swedish Energy Agency, and that it incentivizes business models for effective market up-take.

The EELA programme will also aim to launch numerous national energy efficiency initiatives, targeting the reach out of quality energy services and the establishment of energy service companies. The regional 5-year project will provide backstopping to such national initiatives.

Program content

The aim with this intervention is climate mitigation. Sida support UNHCR to shift from diesel to renewable energy. Bringing in the private sector to invest in sustainable energy solutions for UNHCR and supporting the bridging between humanitarian and development financing is an important aspect of this intervention.

The goals include: climate mitigation by promoting clean energy, supporting the bridge between humanitarian and development aid and creating a resilience value, for example by reducing dependence on imported fuel and by inviting independent, private renewable energy suppliers to establish their business in refugee settlements. UN has a long term goal to move towards climate neutrality. Part of this is to shift to sustainable energy solutions. Sida's POFF grant speeds up the current pace.

Structure and Sida's role

Sida currently supports UNIDO (United Nations Industrial Development Organization) in a 5-year regional project 2019-2024. The total period budget is around 65 million SEK.

The regional project plays a central role in the transformation of all member countries' transition towards a more energy efficient economy.

UNIDO and the two African centres SACREEE (SADC Centre for Renewable Energy and Energy Efficiency) and EACREEE (East African Centre for Renewable Energy and Energy Efficiency) will lead the agenda on developing and enforcing minimum energy performance requirements on lighting and appliances on the African market. This is together with the established standardization mechanisms, existing and emerging test laboratories, customs bodies and other relevant partners. To provide support and capacity building, UNIDO has teamed up with the Swedish Energy Agency, Clean Energy Access Program (CLASP) and Swedish Standards Institute (SIS).

Context

The capacity to capture foreseen energy end-use needs and to proactively regulate and incentivize private actors in the energy services supply and energy efficiency sector can be further strengthened in Sub-Saharan Africa.

Electricity usage in Africa is projected to triple by 2040. A grand part of, and the smallest elements of, this electricity use is likely to be lighting devices, equipment and appliances.

Various efforts on energy efficient quality lighting have been launched already. In SADC, Zambia and Zimbabwe- have banned incandescent bulbs, South Africa runs a broad EE labelling programme, Mauritius is phasing out the 75 Watts and above rated incandescent bulbs and other countries have set performance requirements for certain lamps. A number of countries in the EAC region are at different stages of either development or implementation of a legal binding Minimum Energy Performance Standards (MEPS) targeting electrical appliances. Kenya is now implementing some MEPS.

A large part of initiatives in the region has been based on give away programmes for load reduction, i.e. distributing lamps for free. Few pilots for profitable business models, such as the Pay-as-you-save model, shared risk model or guaranteed savings model have been developed in SSA.

Initially, end-use is likely to center around lighting, cooling and motors, just like in other parts of the world. Concerning lighting, However, it is also very likely that new technologies will develop within the coming decades due to trends.

For example, in SSA a high urbanization rate is probing for sustainable housing, food and water security and smart logistics. Moreover, the large agricultural sector and its prospected modernization, as well as the high degree of decentralized and off-grid energy supply put new energy service demands on the map.

Challenge

Sub-Saharan Africa needs to embrace creative businesspeople and foster energy service companies, that can capitalize on these highly viable opportunities by delivering cost efficient and high-quality solutions to all target groups, including those that do not yet have access to electricity.

More than regulating an existing market, the challenge is to attract and develop domestic private sector partners to invest in high quality services and expand throughout as well less densely populated areas.

For further information

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Recent updates: Please refer to the [EELA Validation Workshop](#) in Dar es Salaam in February 2019 for recent state of the art presentations and indicative plans.