

Niger

Enabling Energy Access through Demand-Side Subsidies (DSS)



Country	Niger
Technologies	Off-grid solar products
Target group	Rural refugee and host communities
Project period	08/2022 - 09/2025
Budget	EUR 4.400.000
Financed by	Directorate-General for International Cooperation (DGIS) of the Netherlands Ministry of Foreign Affairs
Implemented by	Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ)
Coordinated by	Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) and Netherlands Enterprise Agency (RVO)
Projected results	Energy access for up to 64.000 people in Niger

Global Overview: EnDev's Demand-Side Subsidies (DSS) Component

Energy access is central to both achieving the 2030 Agenda for Sustainable Development and the Paris Agreement on Climate Change. While significant progress has been made towards fulfilling SDG 7, millions remain unable to afford even the most basic energy products. Demand-side subsidies (DSS) seek to complement other market development interventions to address this affordability gap and ensure that **no one is left behind**.

DSS reduce the price of energy products for intended end-users without eliminating the price completely, thereby improving affordability whilst ensuring ownership. DSS mechanisms, when well-designed, complement and bolster other interventions, such as supply-side support. However, knowledge on and experience with DSS for off-grid energy access is limited to date.

EnDev is currently implementing a component focusing on piloting innovative DSS mechanisms to facilitate access to modern energy services for low-income and/or displaced populations who are not currently reached by commercial markets. The component operates in four countries in sub-Saharan Africa: Liberia, Malawi, Niger, and Uganda. The overarching aim is to contribute to global learning and knowledge-sharing on innovative DSS designs as well as provide recommendations for future replication at scale.

DSS in Niger

Niger is a landlocked country in the heart of the Sahel with a rapidly growing population exceeding 26 million. Since the start of the Central Sahel crisis in 2012, the region has been faced with an unprecedented humanitarian emergency. Niger currently hosts roughly 400.000 UNCHR-registered refugees and asylum-seekers as well as 335.000 internally displaced people. The country has one of the lowest electrification rates in the world, at 18.6% of the total population and an even lower 9.1% in rural areas. Energy poverty remains disproportionately high within displacement-affected regions, primarily due to lack of infrastructure, underdeveloped supply-chains, and affordability constraints.

The DSS pilot therefore focuses on benefiting refugees, internally displaced people, and host communities with first-time electricity access in the regions of Maradi and Tahoua. EnDev combines geographic and demographic targeting to identify eligible localities therein, while remaining highly flexible and adaptive in possibly expanding its intervention area.

Subsidies provided in targeted regions lower consumer prices for a range of quality-certified, Tier 1 off-grid solar (OGS) products including solar lanterns and solar home systems (SHS). EnDev utilises a results-based financing (RBF) modality to deliver subsidies through direct payments to participating companies, dependent upon consumer price reduction and independent verification of eligible sales.

With a community-based approach, EnDev will train local sales agents and last-mile entrepreneurs to sell subsidised OGS products in the target communities and thereby extend market reach to last-mile rural areas. Furthermore, EnDev will identify and train local technicians in the communities to ensure the availability of after-sales service facilities in the targeted intervention area.

Given the logistical difficulties and challenging context, the pilot coordinates with other GIZ projects and development stakeholders to ensure long-term market development. With the pilot, EnDev aims to close the affordability gap for these underserved beneficiaries and improve the reach of commercially viable markets by strengthening the supply and demand side in the targeted regions.

Projected Impact



Through its demand-side subsidy schemes, EnDev Niger will:

1. directly enable up to 64.000 people to have access to modern energy services,
2. indirectly contribute to providing energy access for millions more through scale-up and replication.

Strategic Partnerships for Learning and Scale

The pilot is implemented with Mercy Corps as Fund Manager and in close cooperation with World Bank's Niger Accelerating Electricity Access Project (HASKÉ) and other development actors. The HASKÉ project includes a large component targeting refugee areas that may benefit from EnDev's DSS experience in displacement settings and potentially take successful DSS mechanisms to scale. Furthermore, EnDev will share technical insights and lessons learned on DSS, coordinate activities, and discuss possibilities for scale up with additional development actors operating across Niger.

Lessons learned on implementing DSS schemes in a displacement context and fragile security setting are shared with the wider international community through the [End-User Subsidy Lab](#).

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