



Sustainable Energy

Ensure access to affordable, reliable and sustainable energy for all

Access to reliable energy services is an important part of human development and a prerequisite for a healthy and prosperous life. Energy services provides lighting, improves services at health facilities, creates new jobs and facilitates education, investments and innovations. Sida supports increased access to renewable energy and improved energy efficiency for people living in poverty. The financial support from Sida to the energy sector was approximately SEK 845 million in 2021, equivalent to approximately 3 percent of total disbursements.



MAIN AREAS OF SUPPORT

Sida's main areas of support are to increase access to energy from renewable sources for poor people and to contribute to more efficient use of energy in our partner countries. Sida supports grid expansion in countries with low coverage as well as small scale installations of solar panels and improved cook stoves. The use of energy and climate change are closely interlinked. Sida works together with a variety of actors such as multilateral organisations, private sector and public sector institutions.

Besides investments to increase access, it is important to develop policies and regulatory frameworks to stimulate sustainable investments and contribute to the transformation of the sector into a low-emissions and climate-resilient pathway. Sida works with bilateral, regional and global partners to improve capacity, knowledge and implementation in this area.

Development aid alone is not enough to reach the Sustainable Development Goal 7 (SDG 7) that all people should have access to sustainable energy services by 2030. Sida uses different methods to stimulate private actors and capital to finance the energy transformation. Apart from grants and result based finance, Sida uses challenge funds and guarantees that reduce risk for private capital to invest in new countries or technologies.

DEVELOPMENT IN THE WORLD

Despite the efforts made, still 733 million people, mainly living in sub-Saharan Africa and South East Asia, had no access to electricity in 2020. Around 2.4 billion people are living without access to clean cooking facilities (2020) and the number is not decreasing fast enough to outpace population growth in some parts of the world. This is the part of SDG 7 that is moving the slowest and global efforts are now being made to find ways of increasing the use of more efficient and cleaner stoves. The share of renewable energy in the global energy mix continues to increase due to reduced prices and developed technologies, however the pace is still slow.¹

The COVID-19 pandemic continued to impact all sectors, including energy in 2021. The pandemic has affected supply chains negatively and lowered the ability of business and households to pay for electricity.

In 2021 a High-level Dialogue on Energy was organized by the UN to strengthen the global political commitment to achievement of SDG 7.² This was a historic opportunity to provide transformational action on the implementation of the energy-related goals and targets of the Agenda 2030 and to support the implementation of the Paris Agreement.

Sida was an active partner in the process focusing mainly on the aspects of increasing access to sustainable energy services for poor people and gender aspects of the energy sector.

¹ World Bank (2022) Tracking SDG 7: The Energy Progress Report 2022
² <https://www.un.org/en/conferences/energy2021>

THE GLOBAL GOALS

The Global Goals for Sustainable Development include everyone – and we can all contribute. The goals are interdependent and therefore indivisible. Sida's main contribution is to implement development cooperation, thereby reducing poverty and saving lives. Together we can build a better future where no one is left behind.



Results

SIDA'S SUPPORT

Sida disbursed SEK 845 million to the energy sector (OECD DAC Sector code 230) in 2021. This accounts for approximately 3 percent of Sida's total disbursements. Around 80 percent of the support goes to Africa, 8 percent to Europe, 7 percent through global programmes, and 3 percent to Asia. The disbursements have increased significantly since 2017.

Sida works with the energy sector in fourteen countries and on a regional level in Africa, focusing on increasing access to energy from renewable sources and energy efficiency. Sida's Power Africa Initiative has recently significantly raised its ambition, with the new target to mobilize 5 billion SEK to renewable energy in sub-Saharan Africa between 2021 and 2030, including from the private sector.³ Between 2015 and 2020, 600 000 people received access to electric lights at home through Sida's Power Africa Initiative.⁴ The support in Eastern Europe is focused on energy efficiency in buildings and on distribution systems as well as to influence governments and other actors to give priority to renewable energy. Support is also provided to prepare sustainable energy investments.

Sida's global partners have broad mandates and are leading the policy development and the transformation of the energy sector towards more investments in renewable energy. Sida is partnering with development banks, private investors, EU member states and non-governmental organizations to increase the access to energy for poor people. Through its global programmes, Sida supports the phasing out of fossil fuel subsidies.

Environmental and climate change aspects of Sida's energy cooperation are important for sustainability and are measured through specific policy markers. 100 percent of Sida's energy portfolio has environment as a significant or principal objective. The corresponding percentage for climate mitigation is 99 percent. During the last years, Sida has actively worked with its partners to strengthen women's voice and role as active participants in the sector and 78 percent of the energy portfolio has gender equality as a significant or principal objective. Access to energy may contribute to the creation of jobs and 54 percent of the energy portfolio has job creation as a significant or principal objective.

³ 026146-21 Mission for Sida's Power Africa Team 2021-2030

⁴ Sida's Power Africa Initiative, Results 2019

FIGURE 1: DISBURSEMENT BY SUB-SECTOR WITHIN SUSTAINABLE ENERGY 2017-2021 (MILLION SEK)

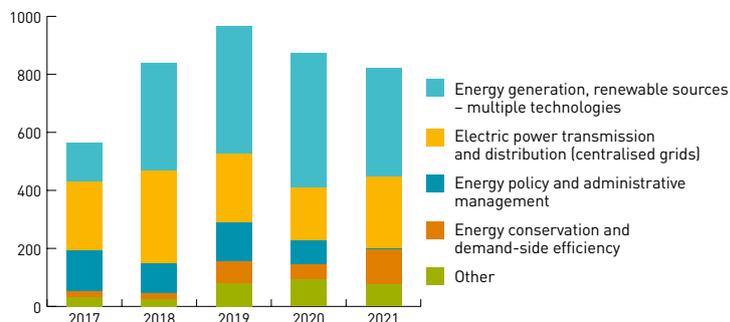
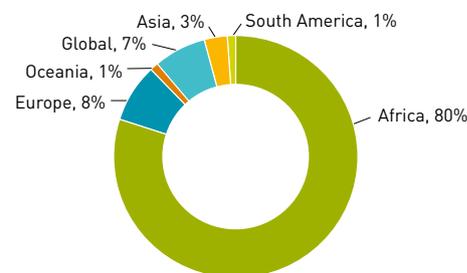


FIGURE 2: GEOGRAPHICAL DISTRIBUTION OF DISBURSEMENT IN 2021 (%)



EXAMPELS OF RESULTS

- Sida has set up the Beyond the Grid Fund for Africa at NEFCO, which opened for calls for proposals in 2020 in Burkina Faso, Liberia, Zambia, in 2021 Mozambique and Uganda, as well as the Democratic republic of Congo. The goal of the fund is to accelerate access to affordable, clean and modern energy for people living in rural and peri-urban areas.
- At the High-level Dialogue on Energy, a Global Roadmap for SDG 7 was decided on setting out milestones needed to achieve the transformation of energy access and transition by 2030.⁵ Voluntary commitments were made called Compacts. Sida is a founder and signatory to the Gender and Energy Compact to promote a just and inclusive, and gender responsive energy transition.⁶
- Sida's partner the Eastern Europe Energy Efficiency and Environment Partnership (E5P)⁷ has been a driving force for important reforms in Ukraine with the introduction of tariffs based on full cost recovery and a gradual phasing out of fossil subsidies.

⁵ <https://www.un.org/en/conferences/energy2021>

⁶ <https://genderenergycompact.org/>

⁷ 19/001425 Strategirapport för Reformsamarbete med Östeuropa, Västra Balkan och Turkiet 2014-2020: Regionalt, 2020-03-15