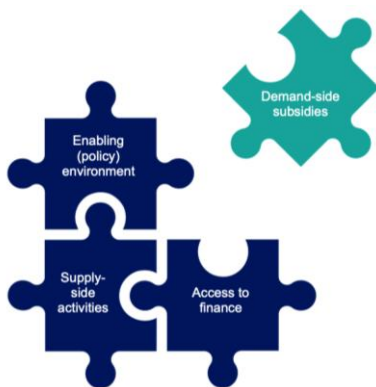


# Enabling energy access through Demand-Side Subsidies (DSS)



Countries	Liberia, Malawi, Niger, Uganda
Technologies	Off-grid solar products and/or cooking technologies
Project period	08/2022 - 12/2026
Budget	EUR 20,000,000
Co-financed by	Directorate-General for International Cooperation (DGIS) of the Netherlands Ministry of Foreign Affairs
Coordinated and implemented by	Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH, Netherlands Enterprise Agency (RVO)
Projected results	Energy access for up to 500,000 vulnerable people



## Leave No One Behind on the road to SDG 7

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, universal access will not be achieved without urgent action.

Supply-side interventions and enabling-environment measures have successfully expanded commercial markets into previously underserved off-grid areas. However, millions remain unable to afford even the most basic energy products. Demand-side subsidies (DSS) seek to address this affordability gap and ensure that **no one is left behind**.

DSS reduce the price of energy products for customers without eliminating the price completely, thereby improving affordability while ensuring ownership. These subsidies can be channelled through companies — which are obliged to offer products to customers at a subsidised price — or paid directly to customers in the form of cash transfers or vouchers. DSS mechanisms, when well-designed, complement and bolster other interventions, such as supply-side support.

While practical experience with DSS for off-grid energy access has grown in recent years, further evidence is still needed on how to design and deliver them effectively at scale, particularly for prioritising those furthest left behind.

## Component Description

Under the component, EnDev contributes to the global body of knowledge on DSS by designing, implementing, and learning from innovative DSS mechanisms that facilitate access to modern energy services. The component focuses on DSS schemes for low-income and/or displaced populations who are currently unable to access commercial off-grid solar and cooking markets and operates in four pilot countries in sub-Saharan Africa: Liberia, Malawi, Niger, and Uganda.

While each pilot applies a context-specific approach for delivering DSS, all are based on the following core principles:

- The development and implementation of DSS schemes are tailored to the target groups' context and ability to pay, as well as to the level of local market development.
- All DSS schemes are designed to minimise or avoid market distortion and align with EnDev's cost-efficient, market-based approach.
- Effective verification and monitoring systems are used to minimize financial risk and reduce the potential for fraud or abuse.
- Co-creation and co-implementation are pursued to leverage additional funds, promote alignment and learning between programmes, and support scale-up.



## Projected Impact



By providing new models for DSS schemes the programme will:

1. Directly enable up to 500,000 vulnerable people to have access to modern energy services,
2. Indirectly contribute to providing energy access for millions more through scale-up and replication of successful pilots.

## Strategic Partnerships for Learning and Scale

Identifying opportunities to leverage funds and support the scale-up of effective DSS approaches is a central part of the programme. This involves working closely with governments, the World Bank, and other sector partners from the outset to secure buy-in, promote alignment with wider energy access programmes, and strengthen capacities for future scale-up.

In addition, the component promotes global learning and knowledge-sharing for future replication at scale. In pursuing this goal, EnDev collaborates closely with ESMAP and the [End-User Subsidy Lab](#) to share emerging lessons from the four country pilots and enable stakeholders to design smart and effective DSS programmes in the future.

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