

# Liberia

## Enabling Energy Access through Demand-Side Subsidies (DSS)



<b>Country</b>	Liberia
<b>Technologies</b>	Solar home systems (SHS)
<b>Target group</b>	Hard-to-reach, socio-economically vulnerable beneficiaries
<b>Project period</b>	08/2022 - 06/2026
<b>Budget</b>	EUR 3,750,000
<b>Financed by</b>	Directorate-General for International Cooperation (DGIS) of the Netherlands Ministry of Foreign Affairs
<b>Implemented by</b>	Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ)
<b>Coordinated by</b>	Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH, Netherlands Enterprise Agency (RVO)
<b>Fund Management by</b>	BRAC Liberia
<b>Partners</b>	Liberia Rural and Renewable Energy Agency (RREA), Government of Liberia, World Bank
<b>Projected results</b>	Energy access for up to 44,700 people in Liberia

### 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 new DSS designs as well as provide recommendations for future replication at scale.

## DSS in Liberia

Liberia is one of the poorest countries in the world, with more than 59.7% of its 5.61 million inhabitants living in poverty. Electrification rates remain low, with only 18% of the population connected to the national grid and another 14% connected by off-grid solutions such as mini-grids or off-grid solar (OGS) products. Rural and remote areas are disproportionately affected by energy poverty, primarily due to infrastructure, supply-chain, and affordability constraints.

The Government of Liberia (GoL) has made energy access a priority and placed a strong emphasis on off-grid electrification as part of its efforts to expand access nationwide. However, OGS products remain unaffordable and inaccessible for a significant share of the population, especially the poorest and most vulnerable. To address these challenges, the Rural and Renewable Energy Agency (RREA) – with funding from the World Bank’s Liberia Electricity Sector Strengthening and Access Project (LESSAP) – together with EnDev are implementing a joint results-based financing (RBF) approach to support access to quality-certified solar home systems (SHS) across Liberia.

The DSS element of the joint RBF, implemented by BRAC Liberia as fund manager, targets counties with high multi-dimensional poverty, including Gbarpolu, Grand Cape Mount, Grand Kru, River Cess, Bomi, Sinoe, Nimba, and Bong. Eligible residents within the selected counties are able to purchase one subsidised product. Customer eligibility is checked at the point of sale with a digital tool hosted by Kobo Toolbox, while compensation to companies follows an RBF approach and is paid upon verification of eligible sales.

To further strengthen inclusion, EnDev has launched a complimentary ‘sub-pilot’ targeting vulnerable women. Using a voucher-based approach, the sub-pilot tests a more targeted delivery model, enabling higher subsidy levels to reach women who would otherwise remain excluded.

Supply-side subsidies provided by the RREA complement DSS by fostering market expansion to hard-to-reach counties. Together, these interventions help overcome the affordability gap, accelerate electricity access for low-income households, and support the sustainable development of the OGS market in Liberia in the long term.

## Projected Impact



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

1. directly enable up to 44,700 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

EnDev collaborates closely with the GoL and the World Bank to coordinate the design and implementation of the joint RBF, align activities, and share insights between EnDev’s pilot and the LESSAP project. By working in partnership, EnDev aims to demonstrate a model for implementing a joint RBF approach, as well as share lessons learned and facilitate scale up of DSS across Liberia under the RREA and LESSAP project. Furthermore, EnDev aims to capitalise on synergies and share technical insights with sector stakeholders and networks, such as the Beyond the Grid Fund for Africa (BGFA) and the Liberia Energy Access Practitioners Network (LEAP).

Lessons learned on implementing DSS schemes targeting the poorest and most vulnerable are shared with the wider international community through [the End-User Subsidy Lab](#).

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