Energy efficiency financing and ESCO market trends in emerging economies

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Scaling up Super ESCOs and ESCOs in Africa 14th September 2021
A surge in clean energy investment is needed to change courses

Clean energy investment in Emerging and Developing Economies (EMDEs) compared with projections in the SDS and NZE

Clean energy investment needs to expand by more than 7 times to reach net-zero emissions by 2050. Rapid increase in clean power and energy efficiency & end use investments is key.
A dramatic mobilisation of private capital is needed for transitions.

While public sources are critical to catalyse investment, over 70% of clean energy investment are financed by private capital in climate-driven scenario, as clean energy projects increasingly rely on availability of higher shares of debt.
ESCO market has been growing steadily since 2015. But the full potential of the industry remains hindered by multiple barriers with the Covid-19 adding restraints.
Persistent barriers and challenges to ESCO projects and financing

Boosting ESCO investment requires improving consumer trust in the industry as well as technical challenges related to ownership and contract arrangements.
Digitalisation for the next generation of ESCOs

There is increased business case for digitalising ESCO services in China.
Importance of clear clean energy targets and frameworks

Targets in most EMDE focus countries cover emissions reductions, electricity access, and renewable power less so for renewables in end-use sectors and efficiency.
IEA ESCO survey and country analysis work

Annual ESCO survey

The International Energy Agency (IEA) tracks policy updates and changing market characteristics of the global Energy Service Company (ESCO) market. To improve the quality and depth of our analysis, the IEA conducts an annual survey of key regional and national ESCO associations and other stakeholders.

This survey aims to collect market data from 2019 and 2020 calendar years in your region including its current size, financing mechanisms, policy drivers, prospects and more. The information collected through this survey is published on dedicated ESCO pages on the IEA website. Your views are an essential contribution to our analysis and they will be used to inform several IEA reports in 2021 (e.g. Energy Efficiency Market Report, World Energy Investment, Special Report on Financing Clean Energy Transitions in Emerging Market and Developing Economies, and the World Energy Outlook).

If quantitative data are not available for any of the questions, please provide an estimate based on previous years or other information briefly explaining how the estimate is derived. We are happy to organise calls with stakeholders to understand the market better.

Country ESCO analysis

Data collection and tracking is key to ESCO market analysis