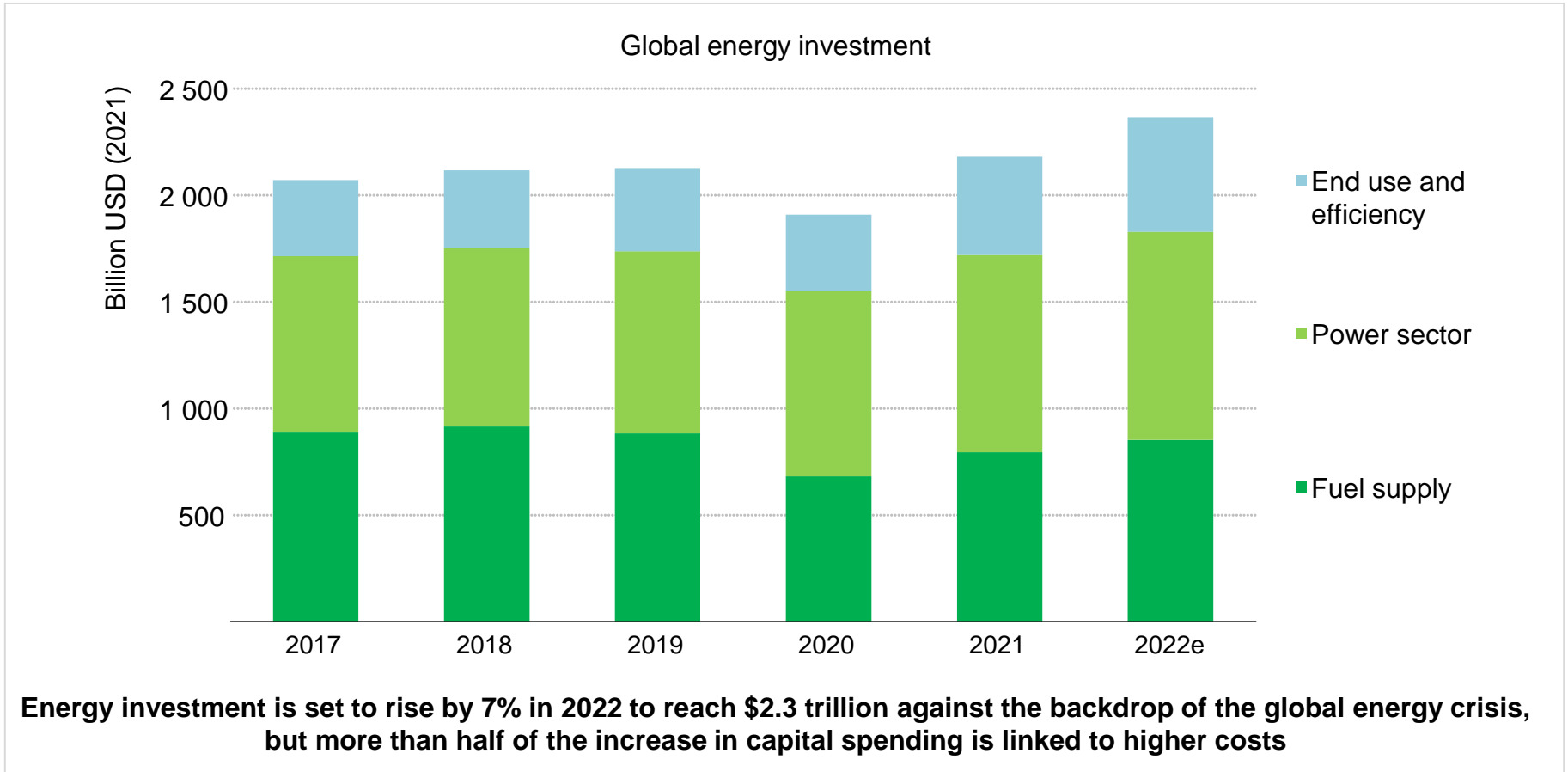




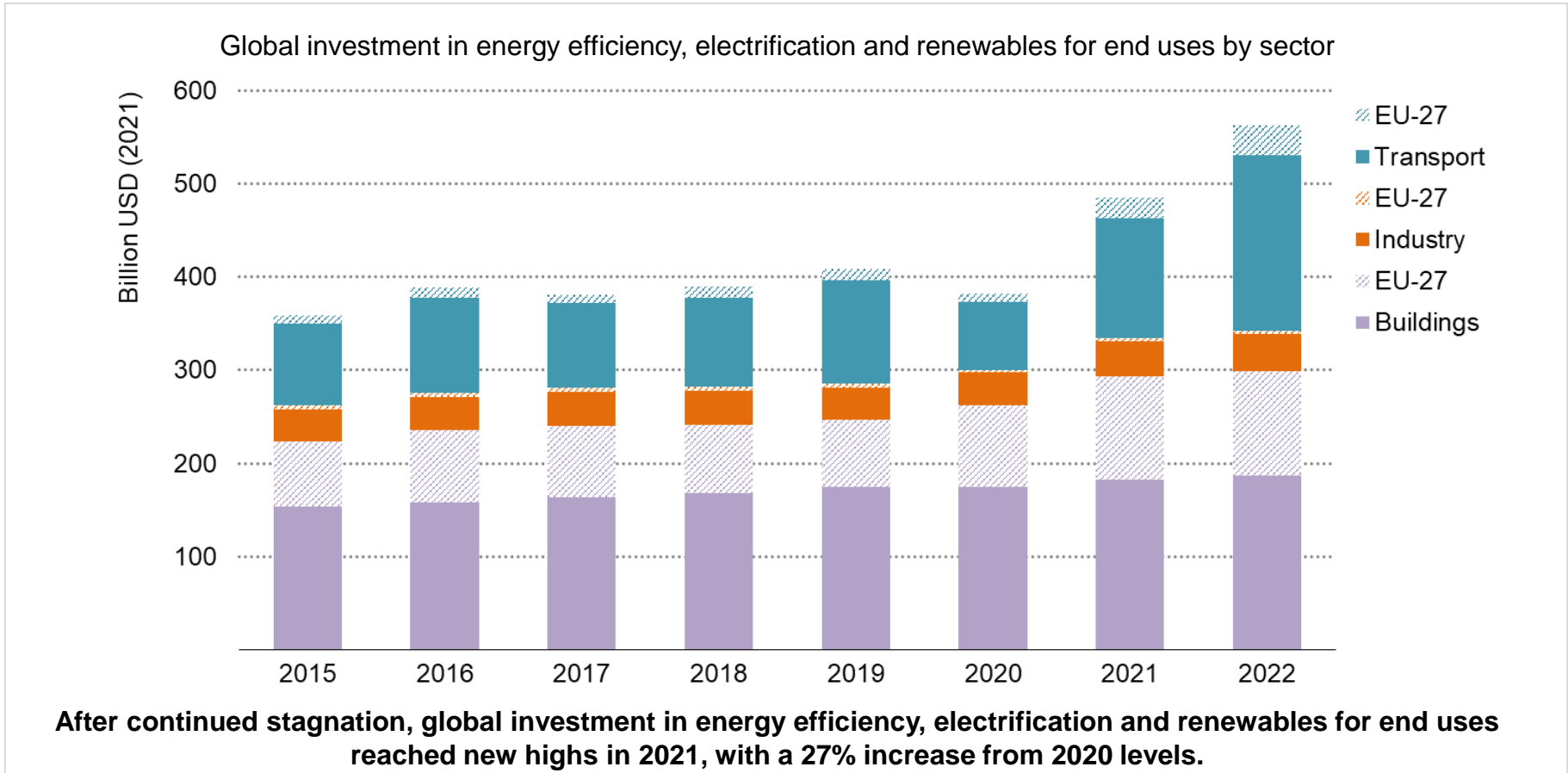
Global ESCO Market Developments and Models

Cornelia Schenk, Energy Efficiency Policy Analyst, Energy Efficiency in Emerging Economies, IEA
European Sustainable Energy Week Extended Programme, 21st September 2022

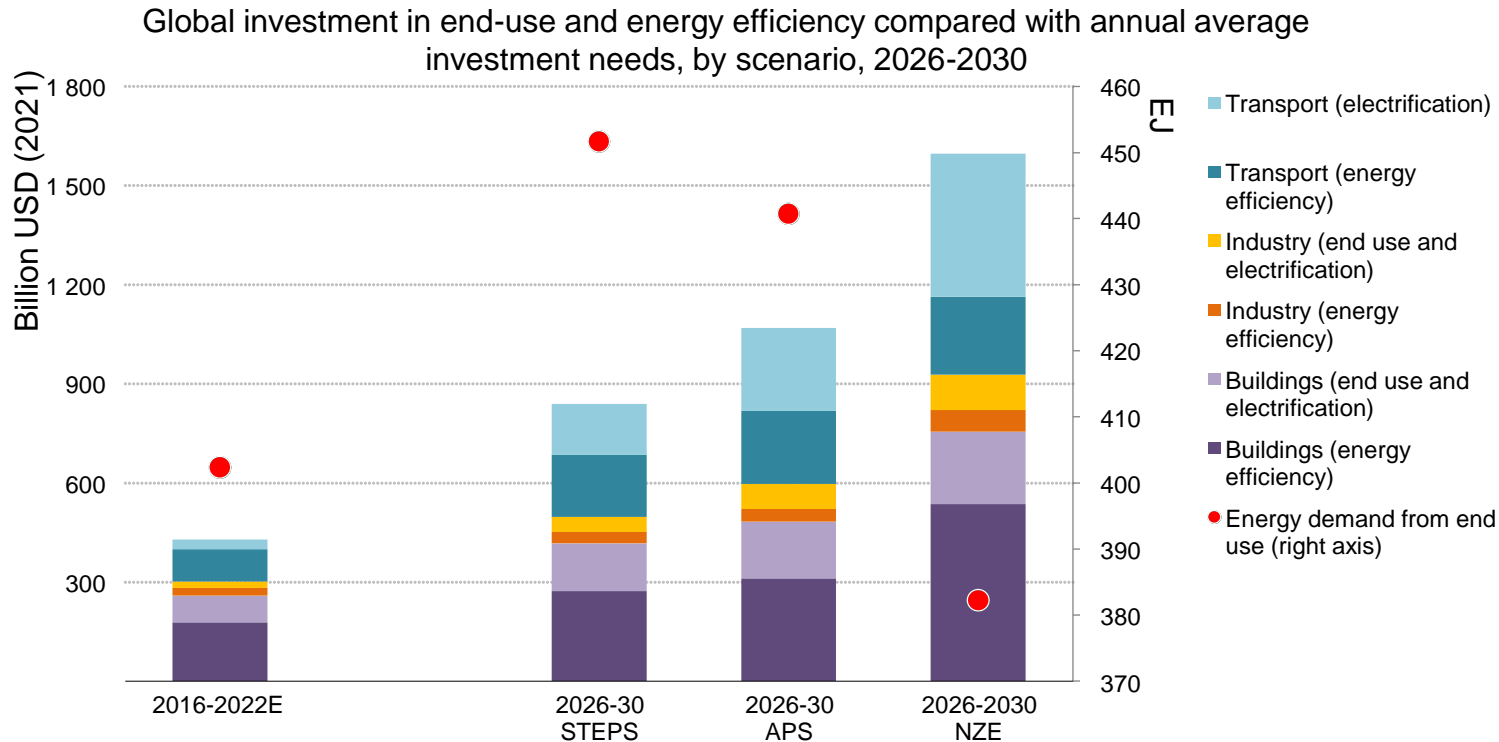
Global energy investment is picking up



2021: Record spending on efficiency and electrification in end uses



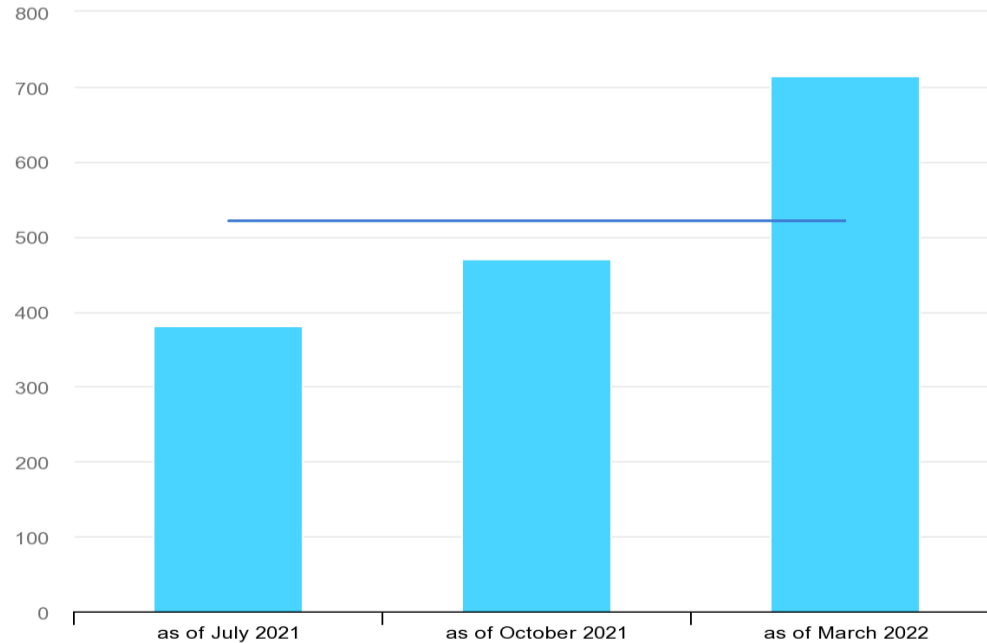
Spending on efficiency and end uses has surged in recent years...



...but annual investment still needs to almost quadruple by 2030 to keep climate goals in sight

Over USD 710 billion are earmarked for sustainable recoveries...

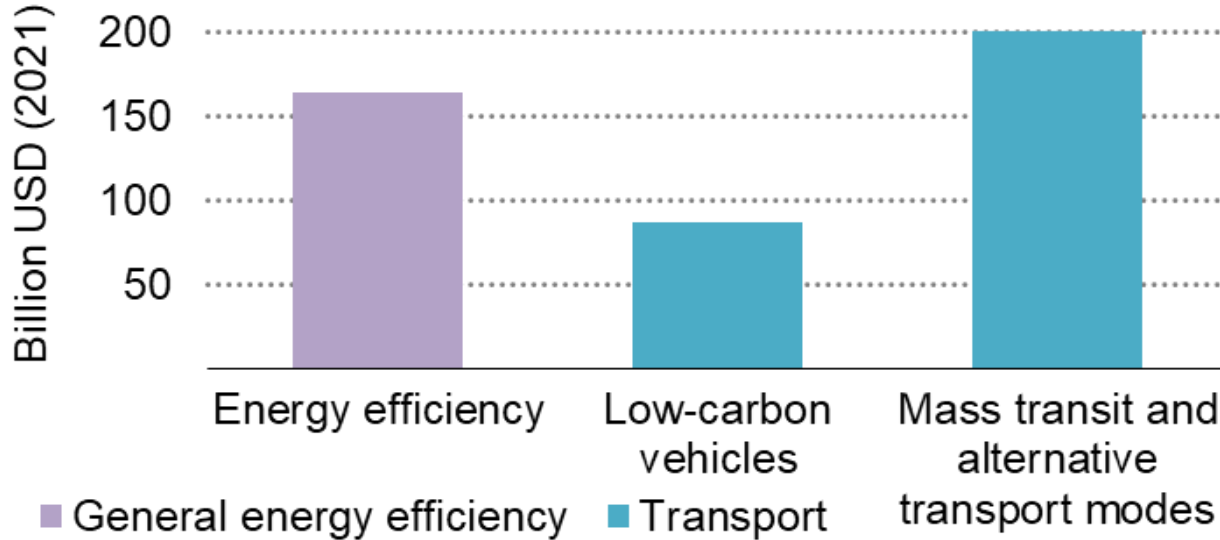
Government global sustainable COVID-19 recovery spending vs green spending in 2007-08 financial crisis



but the gap between advanced and emerging and developing economies is widening.

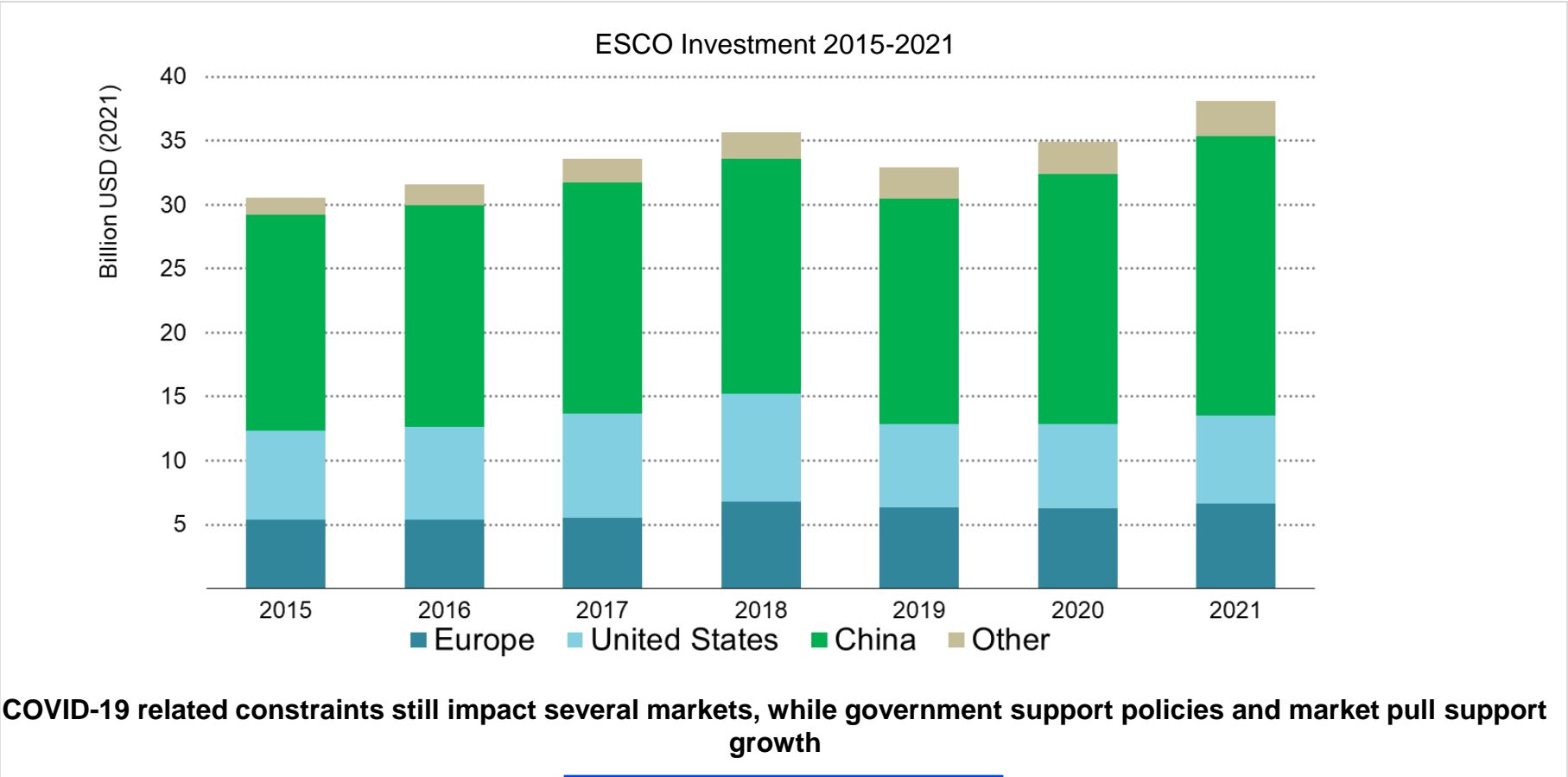
Over 60% of recovery spending earmarked for efficiency and low carbon transport

Government recovery spending earmarked for specific end uses (March 2022)



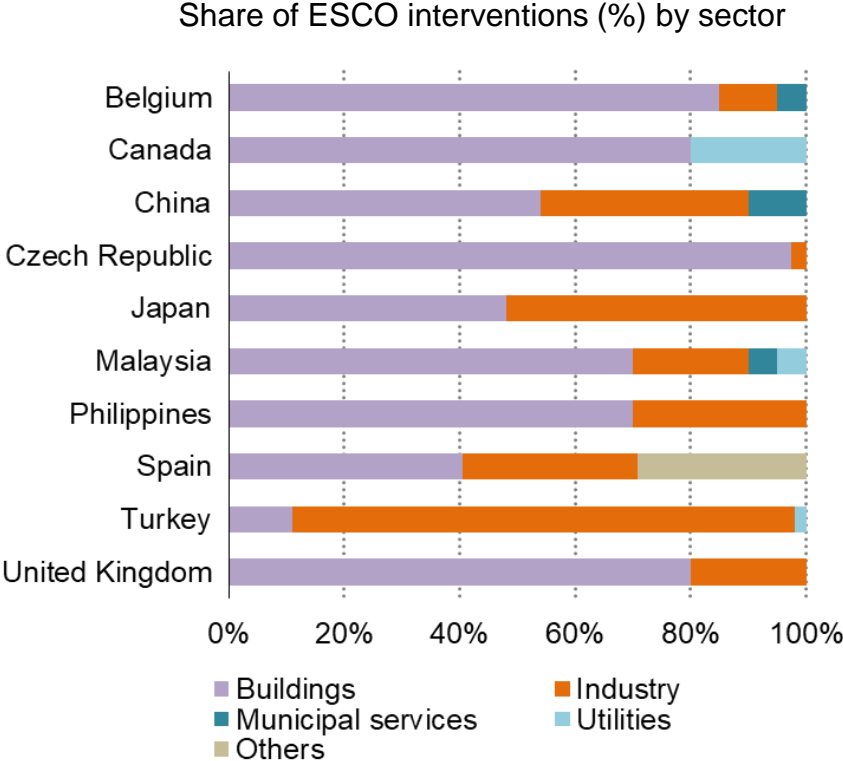
Global supply chain constraints, concerns over energy security and affordability and uptake challenges risk delaying the implementation of recovery spending.

ESCO Market on an upwards trend

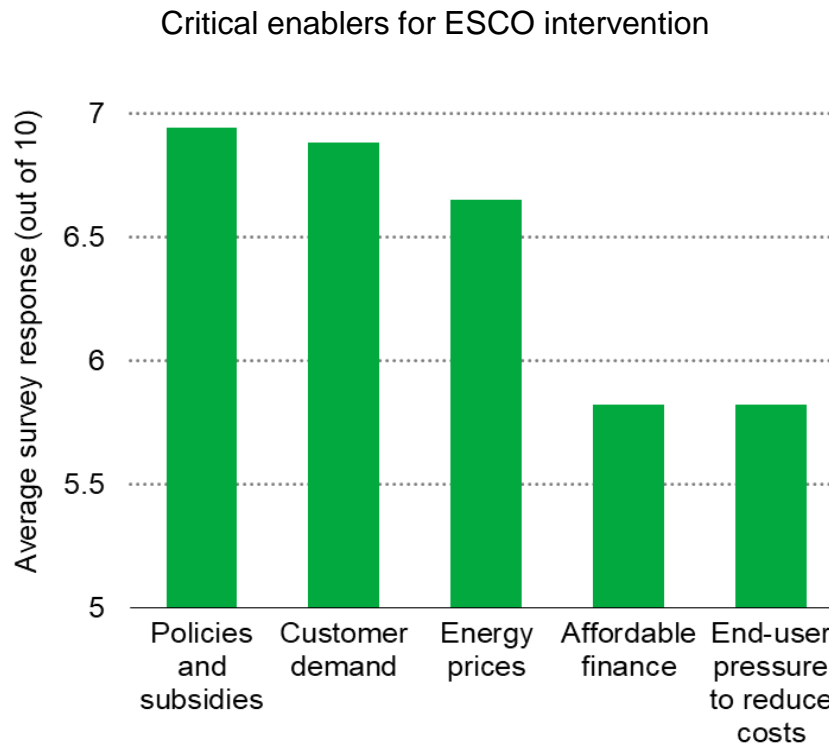


COVID-19 related constraints still impact several markets, while government support policies and market pull support growth

Building sector projects dominate in many economies

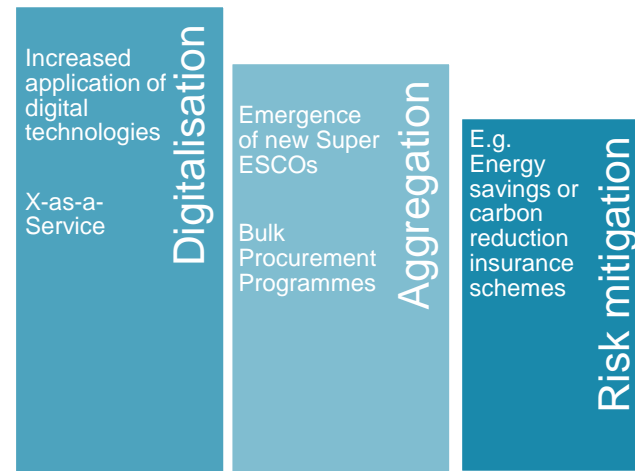
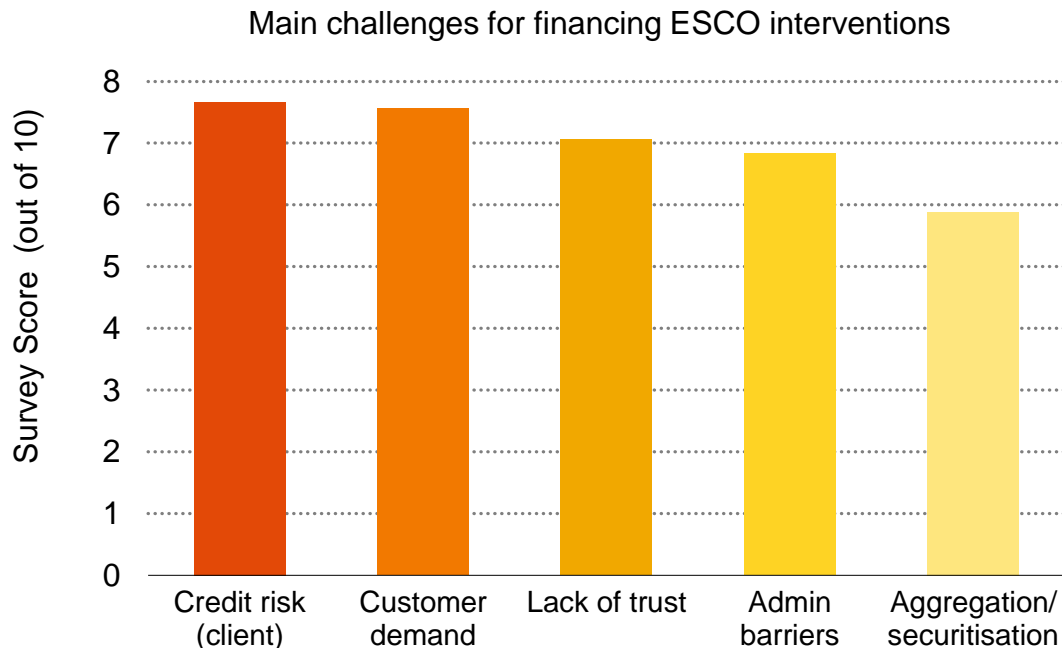


The transport sector is traditionally underrepresented, with vehicle electrification offering new opportunities



The current energy crisis with high prices and raised attention to energy efficiency holds promise, but also challenges related to supply chain constraints

Market barriers & exemplary response models



IEA (2022). Source: IEA annual ESCO market survey 2022, in collaboration with the Global ESCO Network

New technologies and targeted business models open up possibilities to overcome persisting challenges

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