



Catalysing Green Rural Job Creation with DRE in West Africa

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CALL FOR ACTION

A total of **9.9 million people live without access to electricity in Ghana and Senegal**. The majority of those without access live in rural areas where decentralised renewable energy (DRE) solutions provide the most cost-effective electrification pathways.

Senegal aims for 23% of renewables by 2030, and Ghana aims to increase renewable generation capacity to 1,363 MW by 2030, compared to 70 MW in 2019.

A recent study titled “**Catalysing Green Rural Job Creation with Decentralised Renewable Energies in West Africa**” by the Alliance for Rural Electrification (ARE) and Konrad Adenauer Stiftung (KAS), shows that, if both countries reach their renewable energy targets by 2030:

- The DRE sector in Ghana will provide employment to 15,465 individuals, and
- The DRE sector in Senegal is projected to employ around 12,269 people.

With the right forward-leaning policy measures, however, both countries could create more than 40,000 direct jobs in the DRE sector by 2030.

Key advantages of DRE to catalyse green jobs:

- Investing in renewable energies creates close to three times more jobs than fossil fuels do,
- DRE creates more direct jobs than utility-scale renewables,
- DRE can be an entry point for informal workers into the formal economy and in skilled jobs, as well as employ many more women and youths across West African countries, and
- DRE enables an exponential number of derived jobs, for example in local businesses, agriculture and other productive uses of energy.

ARE and KAS call for further public-private dialogue and collaboration enabling an upscaling of DRE to drive rural development and green job creation in West Africa.

Forward leaning scenarios

Recommendations for policy makers	Possible support initiatives for governments in West Africa
<p>Governance: Balance out the level of government control over DRE deployment between the financial contribution the government is willing to provide, and the tariff applied to rural electricity customers. Different delivery models allow for specific combinations and degrees of achievement of the different objectives</p>	<p>UNIDO, AfDB, ARE, AMDA Clean Energy Mini-Grid Policy Guide</p>
<p>Governance: Establish a dedicated rural electrification agency and funding mechanism/fund under MoE to deliver last-mile electrification (for example Rural Electrification Fund)</p>	<p>Technical assistance, for example through EU TAF, AfDB, GET.transform, IRENA and Regional Centres for Renewable Energy and Energy Efficiency, such as ECREEE</p>
<p>Governance: Level subsidy playing field for utility-scale versus DRE, especially between diesel generators and clean energy alternatives (for example solar generators)</p>	<p>ARE public-private dialogues</p>
<p>VAT: Limit import duties and provide VAT exemptions for DRE equipment (incl. batteries, inverters, smart meters and other components of DRE systems)</p>	
<p>Funding: Explore additional funding streams for DRE projects and large-scale support programmes. The development of Voluntary Carbon Market (VCM) plans, for example, supports carbon-credit production by clarifying government responsibilities, setting out market incentives and establishing transparent regulation of the sector within the context of each government's commitments under the Paris climate agreement</p>	<p>Africa Carbon Markets Initiative (ACMI)</p> <p>ARE Financier Circle</p>
<p>Productive uses: Support consumer financing for DRE productive uses, enabling end-user access to DRE equipment and catalysing induced jobs from DRE</p>	<p>ADEME-ARE programme on Productive Use of Energy Uptake in Francophone Africa</p>

Forward leaning scenarios

Recommendations for policy makers	Possible support initiatives for governments in West Africa
<p>MSME: Support general ease of doing business, digitisation, simplified administrative procedures and development of frameworks for employee and consumer protection, introduce policies that could help to accelerate affordable access of DRE equipment</p>	<p>World Bank B-READY</p> <p>ARE Consumer Protection Principles for Clean Energy Mini-Grids</p> <p>GOGLA Consumer Protection Principles for SHS</p>
<p>Youth: Develop and support further tailored youth employment policies, training programmes and academies promoting digital and entrepreneurial skills in the country, and work towards matching programmes between schools and employers</p>	<p>ARE “Innovation 4 Electrification Hub”</p> <p>RES4Africa Microgrid Academy</p>
<p>Women: Adopt and enforce “ECOWAS Policy for Gender Mainstreaming in Energy Access”, as well as conduct technical and entrepreneurial capacity building programmes for women entrepreneurs in partnership with associations and regional centres</p>	<p>ECREEE Programme on Gender Mainstream in ECOWAS</p> <p>ARE Investment Academies</p> <p>GET.invest Finance Readiness support</p>
<p>Skills: Technical training programmes to create job force and conversion courses, including certification of DRE training curricula and exams in collaboration with ECREEE to ensure job mobility and skilled labour across countries</p>	<p>Cornerstone of Rural Electrification (CORE)</p> <p>STAR-C programme</p>
<p>Skills: Promote domestic assembly and/or manufacturing to further enhance domestic value chains and spur domestic job creation</p>	<p>Renewable Energy Manufacturing Initiative</p>
<p>Quality: Development and enforce high-quality technical standards to ensure long-term sustainability of DRE markets</p>	<p>Cornerstone of Rural Electrification (CORE)</p>
<p>Sustainability: Promote energy efficiency to improve grid transmission & distribution and limit grid losses, enabling DRE interconnections with the main grid, reliable electricity and operations & maintenance jobs</p>	<p>Grid Efficiency and Resilience (GEAR)</p>