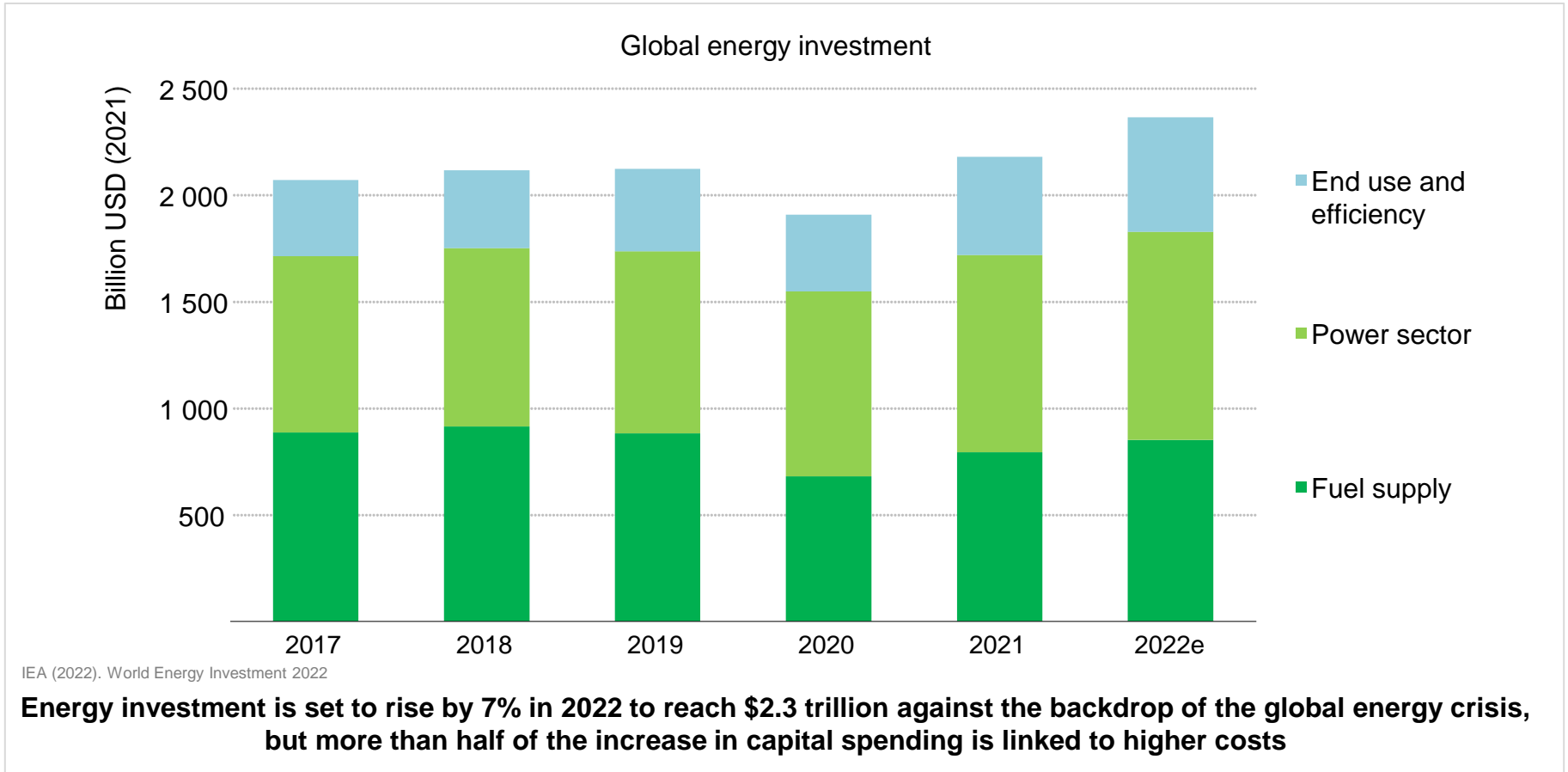




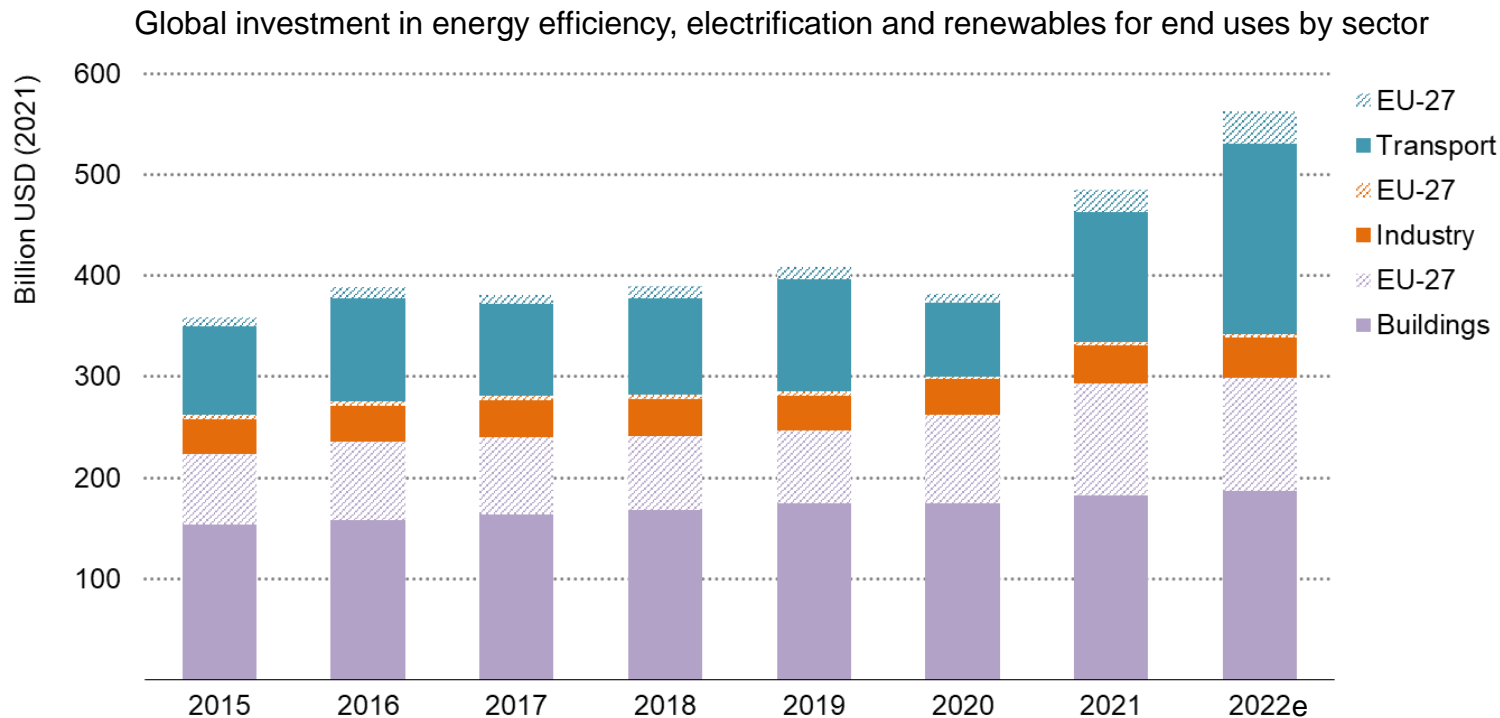
Global ESCO Market Trends

Cornelia Schenk, Energy Efficiency Policy Analyst, Energy Efficiency in Emerging Economies, IEA
European ESCO Conference, 5th October 2022

Global energy investment is picking up



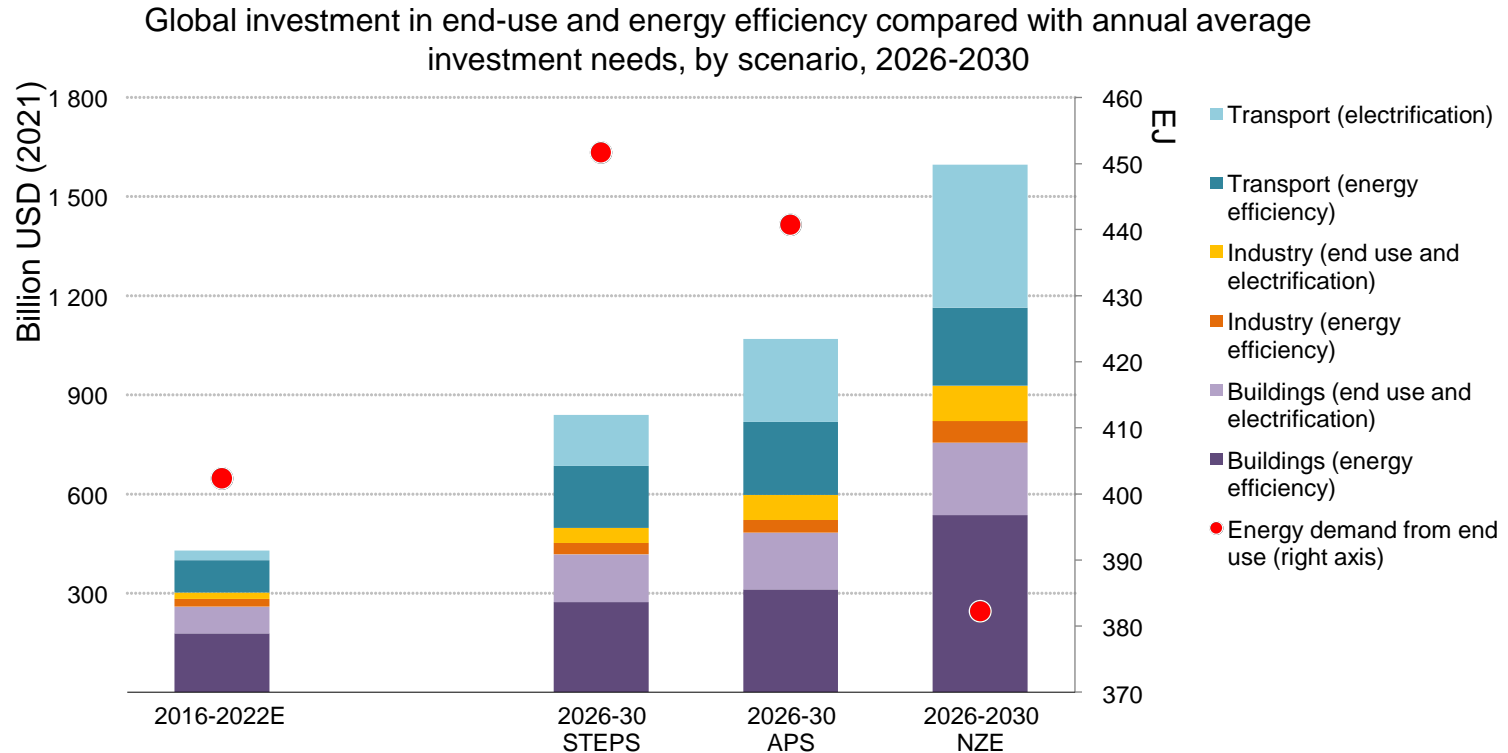
2021: Record spending on efficiency and electrification in end uses



IEA (2022). Adapted from World Energy Investment 2022

After continued stagnation, global investment in energy efficiency, electrification and renewables for end uses reached new highs in 2021, with a 27% increase from 2020 levels.

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

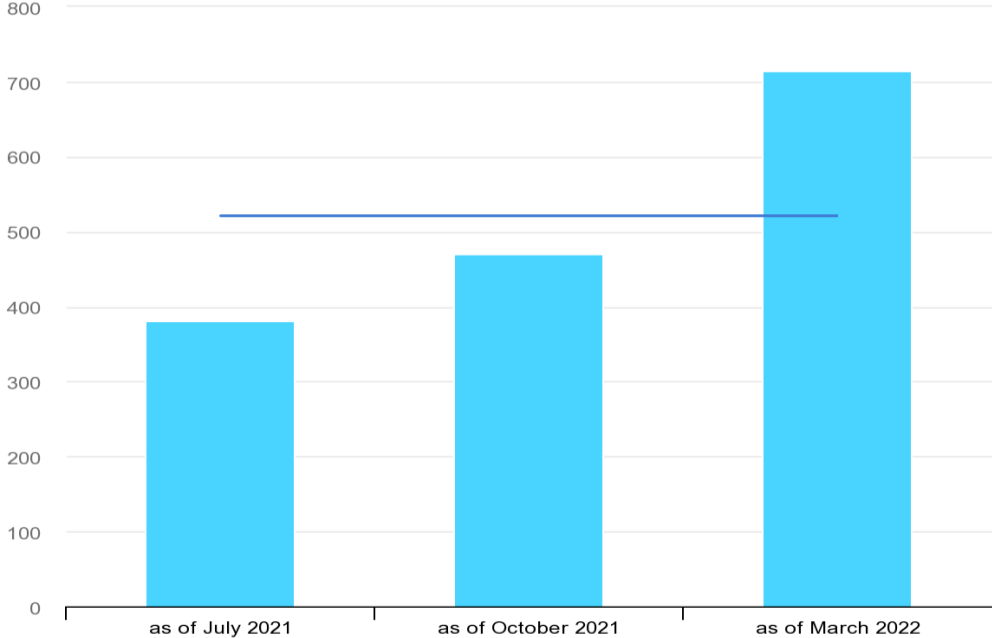


IEA (2022). World Energy Investment 2022

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

More than USD 710 billion are earmarked for sustainable recoveries...

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

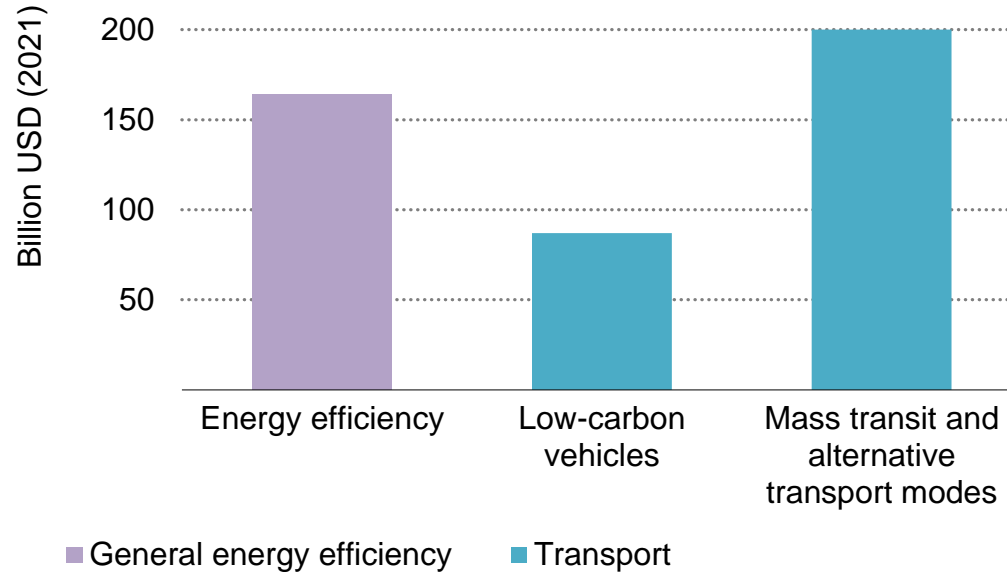


IEA (2022). Tracking Sustainable Recoveries 2022

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

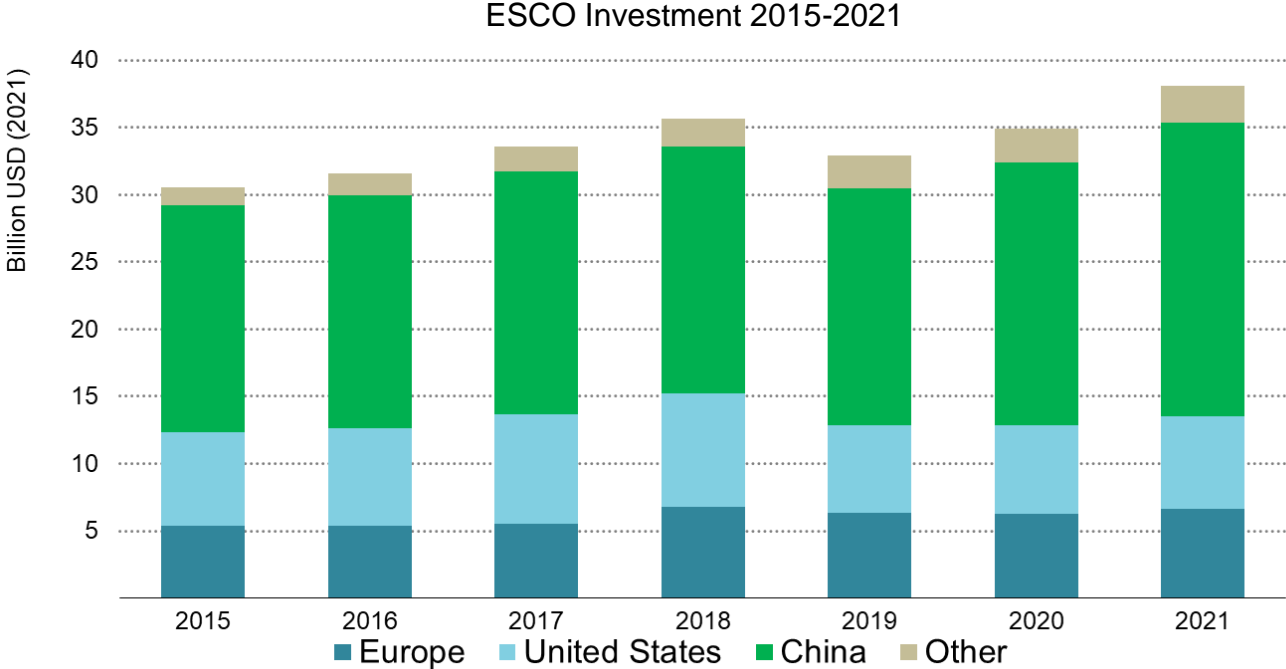
Over 60% of recovery spending earmarked for efficiency and low carbon transport

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

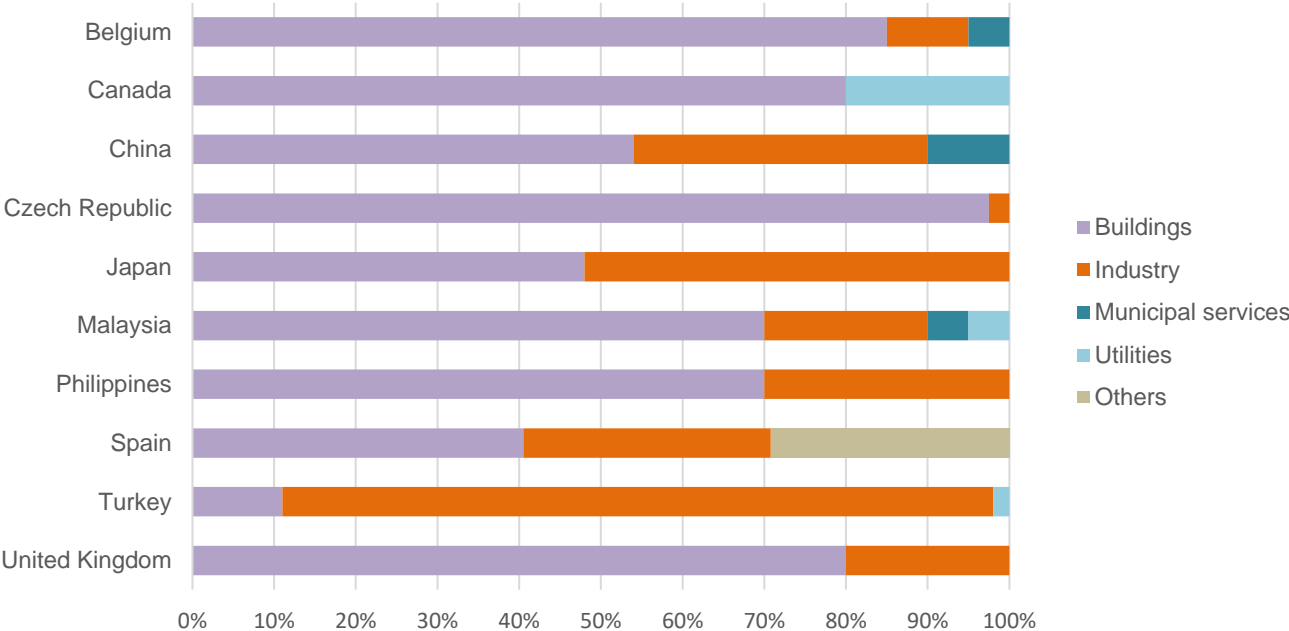


IEA (2022). World Energy Investment 2022; source: IEA calculations and estimations based on IEA annual ESCO market surveys (2022 in collaboration with the Global ESCO Network)

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

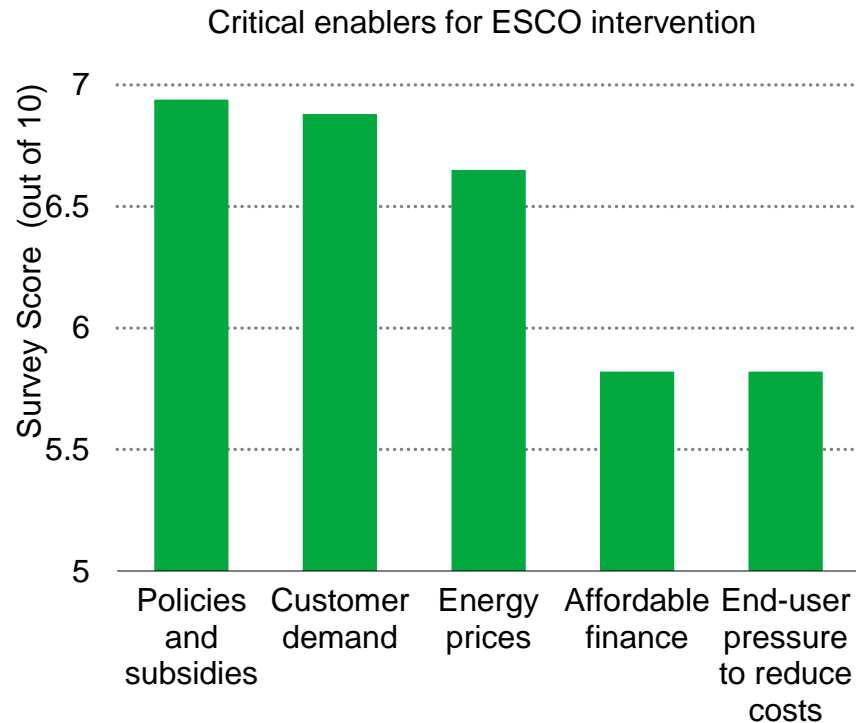
Building sector projects dominate in many economies

Share of ESCO interventions (%) by sector



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

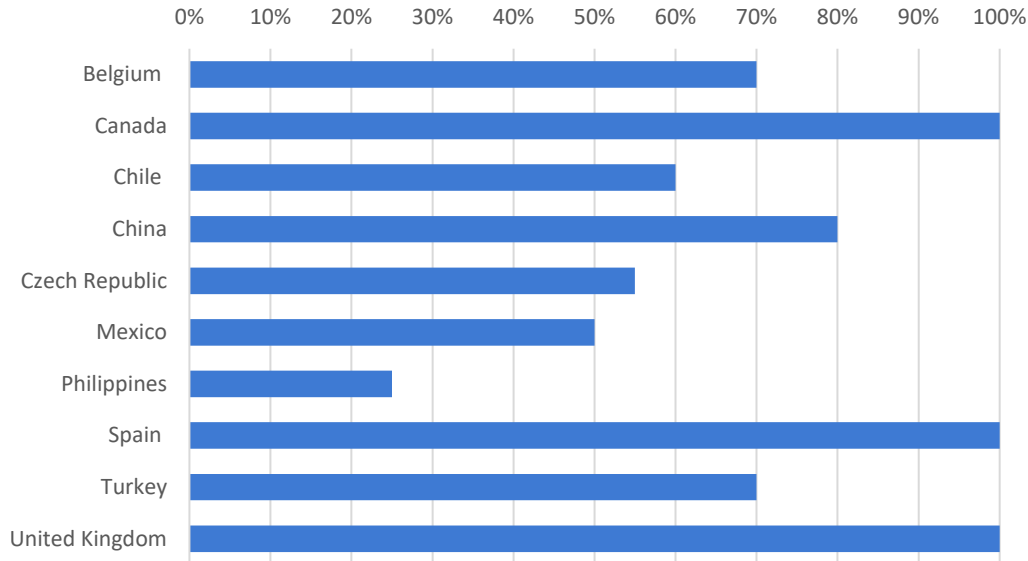
The transport sector is traditionally underrepresented, with vehicle electrification offering new opportunities



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

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

Estimated application of digital technologies

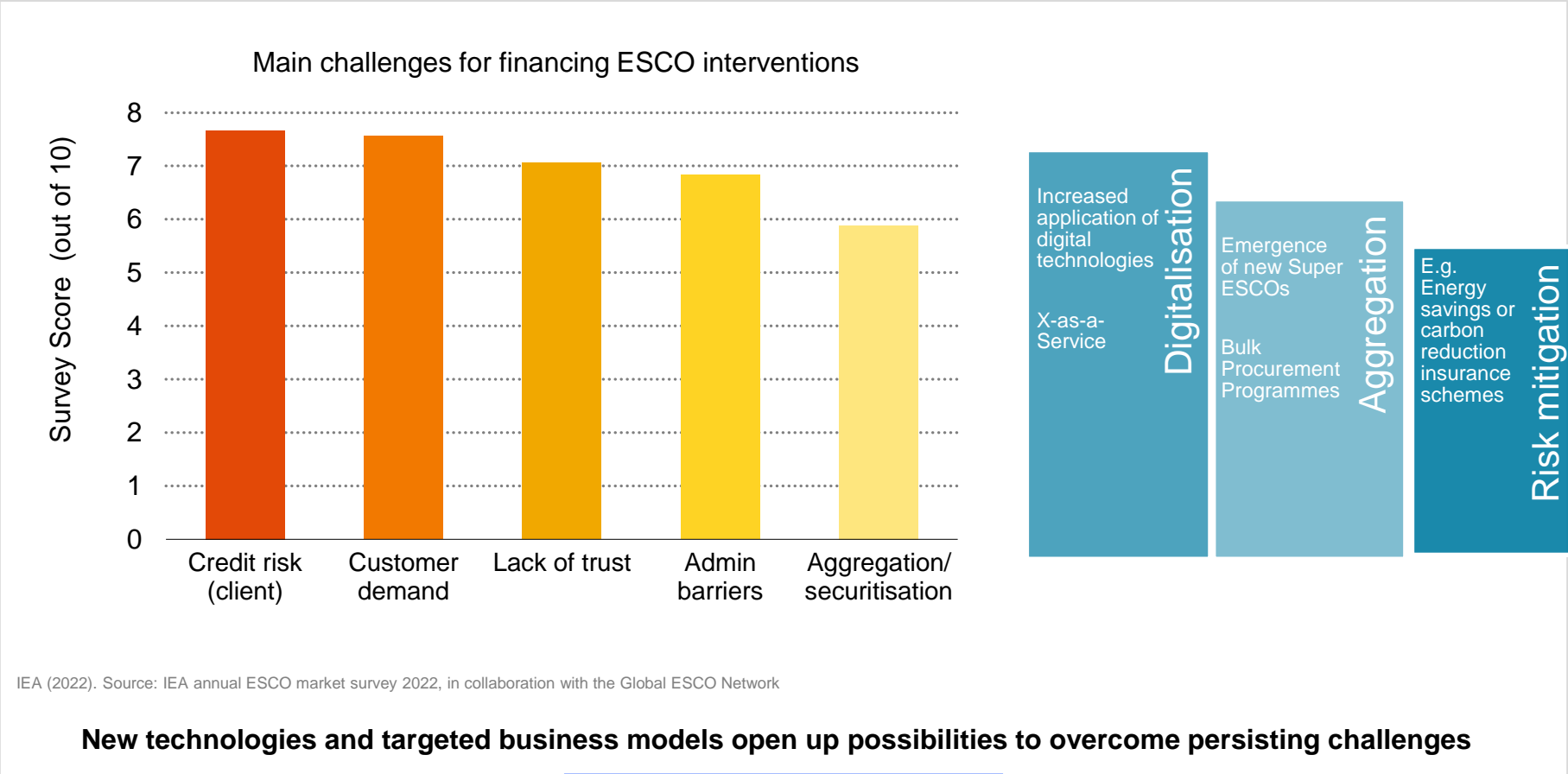


- **94%** agree that digitalisation improved **M&V of energy savings**
- Over 80%
 - registered improved controls
 - were able to identify **new savings opportunities**
- About 65%
 - improved their **customer interactions**
 - identified new business opportunities

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

Digital technologies are already applied by the majority of the ESCO industry with strong perceived benefits

Perceived 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



Sustainable Recovery Policy Tracker

Browse the 1000+ national sustainable recovery policies, spanning over 50 countries, underlying the IEA Sustainable Recovery Tracker.

Last updated 22 Sep 2022

Energy Efficiency 2022 will be published soon

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