



© 10 December 2021, 18:39 (CET)

Capitalise on the momentum, key message from the Global Off-Grid Solar Finance Summit

With the decreasing cost of renewables, energy access and climate goals work hand in hand: we should leave no one behind in the clean energy transition

A low-carbon pathway to universal household energy access in Africa is a 200 billion climate finance opportunity

Amsterdam, 10 December 2021

“Solar power is now the cheapest source of electricity in history. The challenge is to ensure that some of the world’s most marginalised communities gain access to this clean, renewable and affordable source of energy. It will drive down carbon emissions and bring dignity and opportunity for millions of people” **said UNDP Administrator Achim Steiner** during his opening remarks at the Global Off-Grid Solar Finance Summit: The Climate, Development and Investment Opportunity.

The event, organized by GOGLA, the global association for the off-grid solar energy industry, and supported by [GET.invest](#), a European programme supported by the European Union, Germany, Sweden, the Netherlands, and Austria, hosted more than 600 attendees from the energy access and investment worlds to explore the nexus between off-grid solar energy, climate, energy access and development.

In the last decade, the off-grid solar industry has served 420 million people and helped mitigate 86 million metric tonnes of CO₂e, while enabling remote and vulnerable populations to adapt and become more resilient to climate change. However, it is grossly underfunded and financial flows into the sector have stalled over the last 5 years at about \$300 million. This is a challenge as much for climate goals as it is for energy access, because we will not be able to reach net-zero by 2050 without reaching SDG7 by 2030.

Encouraging signs of political will and investments coming from COP26 and the HLDE

A just and inclusive energy transition was positioned for the first time at COP26 as a key part of the climate agenda. Through the Energy Compacts launched by SEforAll at the HLDE, USD 600 billion have been committed to SDG7. Still, **Tracey Crowe, Senior Director and Chief of Staff at SEforALL** pointed at insufficient finance for energy access, at the required scale and on appropriate terms, as the biggest challenge to achieving SDG7.

The announcement of the 10 billion investment into decentralised renewable energy from Global Energy Alliance for People and Planet (GEAPP) was another positive sign, recognizing that we must pair climate and energy access, two of the biggest challenges the world is facing.

Paul Mbuti, Deputy Director of Renewable Energy at the Ministry of Energy, Kenya, brought to the summit the perspective of one of the countries that has made strides in energy access for its citizens. He sees solar as one of the best-positioned technologies to disrupt the energy-generation side and Kenya has made it a key part of its electrification strategy. Integrated energy plans will be one of the factors driving investments moving forward.

Bridge the gap between financial commitment and capital flows, one of the challenges

The sector needs to take advantage of the momentum of COP and HLDE, the fact that more people are talking about clean energy access, and focus on how to deliver the green transition by ensuring the financial flows arrive at scale, locally and faster.

The Green Climate Fund, the biggest green fund in the world, is committing USD 171 million through the LEAF programme with AfDB to address financing barriers that prevent capital flows to the off-grid sector so they can facilitate investment at scale.

Samir Ibrahim, CEO and Co-Founder of SunCulture, mentioned the lack of standardization in the measurement of climate adaptation and resilience as one of the barriers to connect with investors: *“If we can figure out a way to create standards, it would catalyze a lot of climate finance and create more efficient capital flows.”* Additionally, renewable energy financing is profitable, but there needs to be a collective communication effort around the long-term gains and benefits, bringing future profits forward for financiers.

From the field, the perception is that it can be challenging to merge the languages spoken by the different stakeholders: governments, development funds, climate investors. The sector has massive potential but it has barely scratched the surface of investors. It needs to tell its story properly and amplify it as much as possible.

Institutional climate investors have a wide range of investment opportunities

Today, there is still not enough institutional private capital at scale mobilising into renewables in Africa and Asia. However, **David Pollock, Managing Director at Consilium Capital**, showed a path forward: promoting the full range of asset classes, utilising financial innovations like aggregation at scale, driving funding for sector leaders and showing secondary exits, and catalysing more blended finance partnerships.

At the event, there was acknowledgement that delivering energy access via off-grid solar requires both multi-national, large companies that work across regions, scale up quickly and bring efficiencies, as well as local companies that know their markets and are effective at local distribution. Creating a pipeline and a deal flow of local companies is critical to accomplish SDG7 and all related SDGs.

As new capital is brought into the sector, we need to create the environment for these companies to thrive, along with the established companies: balance capital at scale and help the smaller companies with data and support.

Looking at the whole picture of the clean energy transition

Low-carbon versus high-carbon pathway of universal household energy access in Africa would mean an additional 132 million new connections through off-grid technologies, over 600 million tonnes of avoided CO₂e and a more than **200 billion climate finance opportunity**.

Beyond household electrification, off-grid products are a vessel for climate adaptation and resilience. Solar pumps enable farmers to increase their productivity and yield without being subject to decreasing rainfall and increasing droughts. Innovative payment systems and phones enable digital inclusion. As **Huda Jaffer, Director at Selco Foundation pointed out:** “*Climate adaptation is future mitigation anyway*”. When a customer has seen the transformation in income and productivity and the savings on fuel from off-grid solar products, they move into a low-carbon lifestyle by default and they will consider clean energy options when they want to increase their productivity.

So, what's next?

H.R.H. Prince Jaime de Bourbon de Parme, Climate Envoy of the Netherlands closed the event with: *“The need for energy access is abundantly clear. It is good for the climate and the environment. It is security for women. It is good for education and productivity. It is, most importantly, good for resilience and self-reliance”*.

Koen Peters, Executive Director of GOGLA, summarized it as: *“It is clear that real progress was achieved in Glasgow on climate change policies and on funding. But it is also clear that a lot still needs to happen to make sure this translates into real action for those that need to deliver the results in practice. And it needs to happen at scale, and fast - what customers in developing countries need so badly. So there's work to be done for everyone in this sector, and this meeting was about how we do that work, together”*.

Speed is critically important, not just for entrepreneurs but also because 700 million people don't have access to electricity when we have the technology and the business models to deliver it.

About GOGLA

GOGLA is the global association for the off-grid solar energy industry. We are proud to champion one of the world's most innovative and impactful sectors. Hundreds of millions of people already benefit from affordable, high-quality, clean off-grid solar products and services.

With the right support, our pioneering industry will be able to scale up rapidly to improve the lives of 1 billion people by 2030. To help make this happen, we promote, safeguard, and convene the industry, advocating for enabling policies and increased investment as well as supporting our 200+ members with effective services.

To find out more, visit www.gogla.org.

About GET.invest

GET.invest is a European programme that supports investments in decentralised renewable energy. The programme targets private sector business and project developers, financiers, and regulators to build sustainable energy markets in developing countries. Services include market information, a funding database, matchmaking events, and access-to-finance advisory. The programme is supported by the European Union, Germany, Sweden, the Netherlands, and Austria, and works closely with initiatives and business associations in the energy sector.

To find out more, visit www.get-invest.eu.



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