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# Off-grid solar expected to electrify 624 million people by 2030 but ‘game changers’ are needed to achieve universal access goals

**Kigali, 18 October 2022**

Released today at the [Global Off-Grid Solar Forum and Expo](#) in Rwanda, the second part of the [Off-Grid Solar Market Trends Report 2022, ‘Outlook’](#), published by the World Bank’s Lighting Global, the International Finance Corporation (IFC), GOGLA, Efficiency for Access Coalition, and Open Capital Advisors, projects the number of people who will be electrified by off-grid solar solutions by 2030 and highlights the game changers needed to meet SDG7 electrification targets. Building on the first part of the report which details the current ‘State of the Sector’, which was released earlier this month, part two provides an ‘Outlook’ to 2030.



*Image: Power Africa*

## **KEY FINDINGS**

### **624 million people are expected to access Tier 1+ off-grid solar energy solutions by 2030**

- Under the Projected access scenario, 624 million people will be connected to Tier 1 and above electricity access by 2030 via off-grid solar solutions
- In addition to people gaining first time access to modern electricity, millions of households in ‘weak grid’ areas will also benefit from off-grid solutions and productive use technologies
- Under this scenario, the off-grid solar sector is expected to grow by 5% annually and receive \$7.8 billion in investment
- However, the Projected access scenario is dependent on continued industry support via interventions such as positive fiscal policy, grants, and subsidies
- Depending on the development of a range of factors, the industry could grow faster, at 7.2% annually, or slower at 2.8% annually



*Image: Alison Wright*

**Despite significant electrification gains through off-grid solar in the Projected access scenario, without game changers, universal access – a core pillar of SDG7 – will not be achieved**

- Without game changers, 526 million people will remain unelectrified in 2030 under the Projected access scenario. A majority of them are located in nascent and emerging markets
- Projected investment is also \$15.5 billion short of the amount needed to reach SDG7 electrification targets
- Of the total investment required to achieve SDG7, \$4.5 billion is needed to subsidise access by poor and vulnerable households
- Even greater amounts of investment are needed to reach the 569 million and 192 million smallholder farmers who could benefit from off-grid cold storage and solar water pumps, respectively, in India and sub-Saharan Africa between now and 2030
- Off-grid solutions will be critical in supporting education and healthcare by providing cost-effective electrification for schools and health centres and helping provide cold storage for critical health supplies such as vaccines

- Game changers, including greater availability of pay-as-you-go consumer financing, strategic investor engagement, diversified 'beyond energy' business models, and an increase in subsidies and concessional finance are needed to ensure that off-grid solar companies can accelerate the pace of electrification and help meet SDG7 targets



*Image: Angaza*

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## **Quotes and spokespeople**

*The world has changed drastically since the off-grid solar industry convened in Nairobi two years ago, with a combination of Covid, war, and inflation. Thankfully, the sector remained resilient, thanks to record capital inflows of \$457M in 2021, but it still means we stand to miss SDG 7 by 516 million people if we don't act decisively and urgently. This year's Market Trends Outlook Report recommends a number of game changers that require a combination of innovation, financing, and policy change. The message is clear - we must act now and act collectively, recognizing the critical link between energy access and climate change mitigation and the importance of public-private collaboration.*

— Andreas Zeller, Managing Partner, Open Capital

*IFC is working to leverage investment resources and support local financial institutions to provide the necessary local currency debt into the sector while piloting and helping to scale new financial instruments that will attract mainstream investors to the sector. We need to unlock these game-changing financial models to close the projected \$15.5 billion financing gap and enable the commercial market to accelerate the pace of access and deliver SDG7 electrification targets,*

— Peter Cashion, Global Head Climate Finance, Financial Institutions Group, IFC

*The last couple of years have presented unprecedented challenges - particularly for those living without electricity. Health concerns and lockdown measures underscored the need to sustainably power households, communications, health and education services and much more. The Outlook report lays out the game changing steps needed to surpass current trajectories to reach SDG7. It is essential that we act to accelerate off-grid solar access - particularly in difficult to serve markets where they are needed most, so that the most vulnerable people on the planet can shield themselves against ongoing and future shocks.*

— Gabriela Elizondo Azuela, Manager, Energy Sector Management Assistance Program (ESMAP), World Bank

*With off-grid solar technologies, we have a chance to ensure that hundreds of millions of people are lifted out of energy poverty, and can get the power they need to irrigate their crops, store their food and run their businesses. The Off-Grid Solar Market Trends Report 2022: Outlook, shows that – on the current trajectory – the most vulnerable people will be left behind. Yet it also lays out the game changers needed to adjust our course and reach universal electrification targets by 2030. We must work together to do this, and achieve a cleaner and more equitable clean energy transition for all.*

— Patrick K. Tonui, Head of Policy and Regional Strategy, GOGLA

## **ABOUT THE OFF-GRID SOLAR MARKET TRENDS REPORT**

The biennial flagship report for the off-grid solar sector takes an in-depth look at the state of the sector and at the trends guiding the industry. The 2022 edition is divided in two parts: the current Outlook and the first part, State of the Sector, published earlier in October.

Read the [full report](#).

Read the [executive summary](#).

## **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.

## **ABOUT LIGHTING GLOBAL**

Lighting Global is the World Bank Group's initiative to rapidly increase access to off-grid solar energy for the 733 million people living without electricity world-wide. Managed by the Energy Sector Management Assistance Program (ESMAP), we work with governments, the private sector, development partners, and end-users, continually innovating to unlock key market barriers and enable access and affordability to those that would otherwise be left behind. Our support has expanded to technologies that go far beyond lighting, including systems to power the needs of households, businesses, schools, and health centers. We operate with funding gratefully acknowledged from ESMAP and their donors.

## **ABOUT IFC**

IFC—a member of the World Bank Group—is the largest global development institution focused on the private sector in emerging markets. We work in more than 100 countries, using our capital, expertise, and influence to create markets and opportunities in developing countries. In fiscal year 2021, IFC committed a record \$31.5 billion to private companies and financial institutions in developing countries, leveraging the power of the private sector to end extreme poverty and boost shared prosperity as economies grapple with the impacts of the COVID-19 pandemic.

## **ABOUT EFFICIENCY FOR ACCESS**

Efficiency for Access is a global coalition promoting energy efficiency as a potent catalyst in clean energy access efforts. Since its founding in 2015, Efficiency for Access has grown from a year-long call to action and collaborative effort by Global LEAP and Sustainable Energy for All to a coalition of 20 donor organizations. Coalition programmes aim to scale up markets and reduce prices for superefficient, off- and weak-grid appropriate products, support technological innovation, and improve sector coordination. Current Efficiency for Access Coalition members lead 12 programmes and initiatives spanning three continents, 62 countries, and 34 key technologies.

## **ABOUT OPEN CAPITAL**

Open Capital Advisors is a management consulting and financial advisory firm that drives growth, enables investment, and builds markets across Africa. We help businesses, investors, development partners, and the public sector to identify opportunities and deliver unique, impactful solutions. Our mission is to advance African economies and build future generations of business leaders. Since 2010, we have completed over 1000 engagements across 25 countries in Sub-Saharan Africa and raised over \$1billion in capital for impactful businesses across the continent. Our locally based team of over 150 full-time staff brings experience from the world's top consultancies, private equity firms, investment banks, and development organizations.



GOGLA