

Off-Grid Solar Gains Ground as Least-Cost Driver of Energy Access, Jobs and Growth

New report points to a maturing off-grid solar market that could power up to 398 million more people by 2030, helping close the gap for the 655 million still without electricity

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Off-grid solar is reaching more people than ever and increasingly powering more livelihoods, businesses, and essential services. According to the Off-Grid Solar Market Trends Report 2026, released today by the World Bank Group's Energy Sector Management Assistance Program (ESMAP) and GOGLA, the global off-grid solar association, at the Global Off-Grid Solar Forum and Expo in Kigali, the number of people using solar home systems, water pumps, generators, lanterns and other off-grid solar products rose by 26% over the past two years, from 118 million to 149 million*.

The report finds that off-grid solar remains the least-cost solution for at least 398 million people without access to electricity and a strong complement to the grid, often serving communities beyond its reach. Reaching those populations by 2030 will require sustained public and private investment, supported by policies that improve affordability and expand access to financing.

Long considered a bridge to the grid, off-grid solar is now recognized as infrastructure. As energy prices rise, off-grid solar offers a secure, resilient and affordable source of power for households, farms, schools, health facilities, and small businesses, while complementing investments in grid expansion and mini-grids.

The report also highlights the durability and maturity of the sector. Among surveyed customers, 95% reported that their solar home systems remained functional four or more

years after purchase, underscoring the technology's ability to deliver sustained energy access.

"Off-grid solar has proven it can deliver at scale, through shocks, and in places the grid has not reached. It now irrigates farms, keeps clinics open, and powers the businesses that hold rural economies together: these are the functions of economic infrastructure. Yet financing has not kept pace with what off-grid solar is being asked to do. Until governments, investors and development partners treat it as the infrastructure it has become, hundreds of millions of people will wait longer than they should for power."

Sarah Malm, Executive Director, GOGLA

The findings come as countries advance Mission 300, the World Bank Group and African Development Bank initiative to connect 300 million people to electricity across sub-Saharan Africa by 2030. Distributed renewable energy, including off-grid solar, is expected to play a significant role in achieving that goal. Already, 80% of the 35 National Energy Compacts developed under Mission 300 include distributed renewable energy in their connection targets. Now, governments and development partners are turning these commitments into action, with public funding designed to crowd in private investment. World Bank Group commitments to off-grid solar, the largest source of public funding, reached USD 974 million in FY25–26, matching the level in FY23–24.

"Off-grid solar has grown from a basic lighting solution into a critical source of electricity for hundreds of millions of people, strengthening energy security, resilience and affordability while creating jobs. The World Bank Group remains committed to scaling the instruments that crowd in private capital and support governments in delivering sustainable energy access through their national energy plans and compacts."

Fanny Missfeldt-Ringius, Manager, ESMAP, World Bank Group

The off-grid solar sector is a growing engine of jobs, income, and enterprise. The report estimates that 7.4 million people use off-grid solar to power microenterprises or support

income-generating activities, such as agriculture, retail, and services. Over the past 15 years, these products have generated an estimated USD28 billion in additional income and savings for customers. Employment is also growing. The off-grid solar market surveyed for this report employs 219,000 people, up 29% in the past two years, most of them agents and technicians working in the communities they serve.

Despite being the lowest-cost route for almost half of the people living without electricity today, off-grid solar remains unaffordable for many. Only one in three households without electricity can afford an entry-level solar home system through pay-as-you-go financing, and a further third can afford one only at a stretch. Reaching the remaining unserved populations will require targeted measures to reduce costs and expand affordability. Policy tools such as VAT exemptions, import duty waivers, and targeted subsidies can help close the remaining gaps while supporting market growth.

The report estimates that delivering off-grid solar's potential to connect hundreds of millions of people to reliable electricity by 2030 will require investment of around USD 11.4 billion: made up by USD 1.3 billion a year in grants and affordability subsidies, and USD 1.6 billion a year in equity, debt and receivables financing. This represents only a modest share of the estimated USD 3–5 trillion in average annual energy transition investment needed by 2030.

The full Off-Grid Solar Market Trends Report 2026 is available [here](#).

Key findings

- People reached by affiliate market products grew 26% between 2023 and 2025.
- Off-grid solar is the least-cost solution for at least 398 million people without electricity; reaching all of them will require around USD 11.4 billion between 2027 and 2030, which requires a substantial increase in public and private investment.
- 95% of customers report functioning SHS four or more years after purchase.
- One-third of unelectrified households can afford an entry-level tier 1 solar home system on pay-as-you-go financing, and a further third at a stretch.

- 219,000 people employed in the affiliate market*; full-time employment up 29% from 2021 to 2025.
- 70% of “Mission 300” National Energy Compacts in Sub-Saharan countries include fiscal incentives for distributed renewable energy

* About the Affiliate Market: The sales and employment numbers in the report cover GOGLA members, companies with products that meet VeraSol or IEC quality standards, and Global LEAP Awards or LEIA participants, cumulatively known as “affiliates.”

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