

## Written evidence submitted by GOGLA

### General

1. GOGLA<sup>1</sup> welcomes the opportunity to provide a contribution to the IDCs inquiry on Investment for Development: the UK's strategy towards development finance institutions. GOGLA is the industry association for the off-grid solar industry, with more than 200 member organisations and a mission to catalyse the market for high-quality, affordable off-grid solar energy for 1 billion people living with no grid or weak grid.
2. The off-grid solar industry makes a significant contribution to SDG7, serving 490 million people globally with modern electricity services and has an estimated market value of \$2.8 billion (2021).<sup>2</sup>

The industry has created an estimated 370,000 clean energy jobs, and contributes to climate mitigation, adaptation, and resilience<sup>3</sup>.
3. GOGLA has a multi-faceted relationship with BII;
  - a. BII Plus market-shaping facility provides a grant to GOGLA to support our work on industry standards and guidelines, including consumer protection and e-waste management.
  - b. BII and BII investees contribute to and participate in GOGLA-led initiatives to improve the performance and investment in the industry.
  - c. BII holds a seat on GOGLA's Advisory Board.
  - d. BII is a GOGLA Member.
4. This submission aims to contribute to the following three questions: What current investments does BII hold? How effectively does BII manage funds following its initial investment? How does BII evaluate the impact of its investments?

### BII Investments

5. The off-grid solar industry is a young and complex sector serving low-income, vulnerable people. Investments made by BII are important to meet the goals of the industry which require blended finance of public and private capital. BII has made direct investments that have spurred technology and business model innovation in the industry.
6. Current investees include market leaders (and GOGLA members) such as M-Kopa, SunKing and Bboxx, both through direct investments (debt and equity) and funds such as Apis Growth Fund I and Energy Access Ventures.
7. From the visibility that GOGLA has, BII effectively manages its investments to drive for business success and social impact whilst appropriately managing externalities and risk. BII acts as a champion and advocate for responsible business practices and leverages its investment portfolio to promote adoption and implementation of industry standards such as the Consumer Protection Code<sup>4</sup>, harmonised Impact Metrics<sup>5</sup>, e-waste management best practice, and 2X Challenge<sup>6</sup>. In doing so it ensures that the investments it makes can be measured, are responsible, and protect some of the world's poorest while creating sustainable economic growth.

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<sup>1</sup> [www.gogla.org](http://www.gogla.org)

<sup>2</sup> Lighting Global/ESMAP, GOGLA, Efficiency For Access, Open Capital Advisors (2022), [Off-Grid Solar Market Trends Report 2022: State of the Sector](#). Washington, DC: World Bank.

<sup>3</sup> Ibid.

<sup>4</sup> [Consumer Protection | GOGLA](#)

<sup>5</sup> [Welcome to the GOGLA Impact Hub | GOGLA](#)

<sup>6</sup> [Criteria — 2X Challenge](#)

8. BII and GOGLA collaborate on the development of industry standards and metrics to monitor and evaluate financial, operational, and impact performance of investments. From our perspective, BII is a pioneer in defining, measuring, and evaluating the performance of its investees. Our collaboration on standards and KPIs has allowed us to take this good practice and promote it as industry standards, thus leveraging the good practice for impact at scale. This improves the performance and transparency of the industry and underpins increased investment. GOGLA appreciates and commends the partnership with BII Plus on these influential market shaping initiatives.
9. The off-grid solar industry is facing an investment gap of \$15billion if it is to achieve SDG7<sup>7</sup>. There is a need for additional investment from Development Finance Institutions such as BII, prioritising lower equity tickets to reach more companies. This would attract and provide opportunities for commercial investors with lower risk appetite while supporting business growth and job creation to benefit UK partnerships overseas. GOGLA encourages BII, and other DFIs, to ratchet up the investment volume and risk appetite to achieve a more inclusive industry and accelerate industry growth. Collaboration and coordination with the spectrum of capital providers and fund managers can ensure maximum leverage of BII's investments and be catalytic for more companies and countries.

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<sup>7</sup> Lighting Global/ESMAP, GOGLA, Efficiency For Access, Open Capital Advisors (2022), [Off-Grid Solar Market Trends Report 2022: Outlook](#), Washington, DC: World Bank.