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Foreword

I am pleased to present GOGLA’s annual report for 2014/2015. It has been a productive and exciting year, with GOGLA undertaking a wide range of activities amid strong growth in our membership and in the off-grid solar lighting sector.

GOGLA’s aim of supporting members in efforts towards new market access and market consolidation remains on track. Indeed, the past year has been an exciting time across the off-grid solar lighting market. Interest from investors grows at pace, with 2015 investment already at 75% of the 2014 total. GOGLA’s core membership base has also grown, from 37 in June 2014 to 56 in May 2015. This substantial membership growth, over 50%, reflects the momentum within both GOGLA and the industry as a whole. It is safe to say that we are on target to be the leading unified voice for our rapidly growing sector.

Significant increases in GOGLA’s membership base have been mirrored by increases in core funding for the association. This has enabled a new Executive Director to be brought on board and for several important projects to commence. They include market data collection, support towards the identification of a long term solution for the Lighting Global quality assurance framework, and the publishing of a guidance note with the United Nations Environment Programme (UNEP). These are important steps as GOGLA works towards full market realisation. There is no doubt that basic access to electricity can be achieved globally by 2030 as long as the solar lighting industry is facilitated appropriately along the way. GOGLA’s activities over the past year, and in the years to come, are crucial contributions towards this drive for global access.

As the industry continues to mature, so too does GOGLA. Continued growth in membership will allow us to be the premier industry association and voice for the off-grid solar lighting sector. GOGLA’s position at the forefront of the sector will be showcased in Dubai this coming October at the 4th International Off-Grid Lighting Conference and Exhibition. Manufacturers, investors, technology providers, service companies, distributors, development institutions and policymakers will all meet to discuss the best methods to further scale-up the industry. It represents a unique opportunity for all of our members to expand their knowledge and networks, to present their business, and to help expand the sector. I sincerely hope that you will join us in Dubai as we seek to generate even more momentum.

Within the annual report, you will find more detailed information regarding GOGLA’s activities over the past year and I wish you a successful and productive year to come.

Koen Peters, GOGLA Executive Director
1. GOGLA Activities 2014/15

Most of GOGLA’s activities are structured along its five working groups: business development and market intelligence, quality assurance and technical questions, policy and regulation, measuring social impact, and sustainable supply chains. The work in these areas is summarised in the following sections.

Communication and dissemination of key messages is an essential part of any association that is speaking on behalf of its members. Efforts to strengthen GOGLA as the voice of the industry are also described in this section.

1.1. Business Development and Market Intelligence

One of the main bottlenecks that companies face when scaling up, is capital shortage. In addition, data on the sector is scarce. Therefore, GOGLA has focused in the last year on facilitating additional investment into the sector, and on establishing a system for market data collection.

Facilitating Access to Finance

Even though the off-grid lighting market has grown rapidly over the last number of years and companies have matured, access to finance is still a main challenge for the industry. To help GOGLA members overcome the financing barriers they encounter, GOGLA, together with AT Kearney, prepared an “Investment and Finance Study for Off-Grid Lighting”. The objective of the study was to conduct a comprehensive and informative off-grid lighting market study to raise awareness of opportunities and support finance professionals as they evaluate it. The study (available on GOGLA’s website) quickly found its way to a wide group of interested investment stakeholders.

To initiate the dialogue between industry and investors, as well as between different investors, GOGLA launched the report at an investor conference (in cooperation with Credit Suisse) in June 2014. The event enabled investors and industry professionals to network and exchange views, further highlighting the need for a continued dialogue. Second and third investor conferences followed in London (in cooperation with Bloomberg New Energy Finance) and in New York (in cooperation with Deutsche Bank and Power Africa), in December and March respectively. Each of the events attracted between 70 and 100 participants and was very well received.

Market data collection

GOGLA aims to become the main sector provider of market data and intelligence and has been working on establishing an appropriate infrastructure and protocol for the collection of member’s market data. In cooperation with the World Bank Group’s Lighting Global program, GOGLA started in spring 2015 collecting the sales data of its members. The results will be published in a joint market trends report, planned to be launched in October 2015.

Additionally, GOGLA has started to track investments into the sector. Although it is not yet following a rigid methodology, it allows for conclusions to be drawn about main investment trends in the sector. GOGLA is working towards securing additional funding in order to develop and apply rigid methodology for this purpose.
1.2. Quality Standards
GOGLA and the quality and standards working group continue to provide the industry perspective in the design and implementation of quality assurance frameworks. Feedback was provided to the Lighting Global quality assurance program on testing procedures and on package performance reporting, as well as to the ECOWAS committee that designed minimum performance standards in the context of the regional efficient off-grid lighting strategy. Based on an analysis of the approach taken in Bangladesh, consolidated industry feedback has also been provided for Lighting Global plans to extend testing to small solar home systems.

Together with Lighting Global, GOGLA is further investigating different scenarios for transitioning the quality assurance program when the program officially ends in 2017. GOGLA has again provided coordinated industry views by leading structured interviews with its members (over 25 interviews have been held). GOGLA is also actively engaged in strategic discussions on the issue.

1.3. Policy and Regulation
GOGLA and its policy and regulation working group are developing recommendations to support policy makers in establishing and developing enabling environments that allow the market to fully prosper and deliver basic energy access to a multitude of households. A focus area of last year and the coming year are the promotion of VAT and tariff exemptions for solar off-grid lighting and electrification products.

Developing and sharing policy recommendations and industry positions
In May 2015, GOGLA jointly published with the United Nations Environmental Program (UNEP) through its en.lighten program a guidance note for governments in Africa on the development of effective off-grid lighting policies. The report is a call to action to governments to create a suitable enabling environment. It outlines strategies for governments to get the fundamentals for market development right, to support the scaling of the market, and to sustain positive impacts by keeping the market at steady growth rates.

Under the lead of the policy working group, GOGLA is preparing a handbook that collects various industry opinions to provide key stakeholders with appropriate guidance on what actions they should and not should not take to accelerate market development. Official industry opinions are endorsed by the respective working group, the board of directors, and eventually voted upon by the full GOGLA membership. The handbook thus reflects the overall position of the industry on different topics. It is planned to launch the first edition of the handbook in October 2015. The handbook is, through its design, expandable and further positions will be added on an ongoing basis.

Throughout the entire process, GOGLA has consulted ECOWAS in the design of their regional efficient off-grid lighting strategy. It has given advice on how the region can benefit from market based solutions and on how to accelerate market development. An integral part of the recommendations was the use of minimum quality standards that are aligned with international benchmarks.

VAT and Tariff Elimination
A focus area of 2015 is to promote VAT and tariff exemptions on solar lighting and electrification products. Together with local and international partners, GOGLA has successfully advocated against the re-introduction of VAT and tariffs in Tanzania and Zambia.
Furthermore, GOGLA is advocating for solar off-grid lighting and electrification products to become part of the Environmental Goods Agreement – an agreement currently negotiated between 15 states that foresees the adoption of a zero tariff policy on a number of goods that protect the environment and mitigate climate change.

**Work with national renewable energy associations**
To strengthen its network at the national level, GOGLA has established over the last year working relations with national renewable energy associations in Kenya and Tanzania, with both associations now being members of GOGLA. To further extend relations with national associations, GOGLA is investigating how to best channel international support to national renewable energy associations to facilitate sustainable market development on a local level.

**1.4. Measuring Social Impact**
The working group on impact metrics seeks to produce a harmonised industry standard for social impact reporting for consistent use across the sector. To date, there has been no standard for calculating metrics in the sector and as a result, different organisations have used different approaches or were limited in their capacity to report and communicate. The use of different approaches could undermine the credibility of results and prevent any meaningful industry-wide aggregation. Credible benchmarking is important for policy discussions, advocacy efforts, and other initiatives where robust impact figures influence sector-related support and decisions. The working group is about to finalise the development of priority metrics. A brief report will be published at the beginning of June 2015 to share information on the metrics and coefficients determined as well as the next steps to be taken. These metrics should help to attract investment, working capital, and regulatory support for the off-grid lighting industry that will help the sector to scale.

**1.5. Sustainable Supply Chains**
The recycling and collection working group has extended its scope to cover sustainability questions along the entire supply chain, including social standards in the production process.

In November 2014, GOGLA convened a meeting on the social aspects of off-grid lighting production in Shenzhen. The meeting was a first exchange of views with and among GOGLA members on the topic and served to determine possible actions that GOGLA and its members can and should take.

GOGLA also joined the Global Compact in August 2014 and is encouraging all its members to do the same.

**1.6. Strengthen GOGLA as the voice of the Industry**
To strengthen GOGLA’s voice when speaking on behalf of the industry, a dedicated communication strategy has been developed, with implementation beginning as of January 2015. Besides hosting GOGLA events, the outreach to the wider public has been and continues to be a priority.

**Co-Organisation of the 4th International Off-Grid Lighting Conference and Exhibition**
Together with the World Bank Group’s Lighting Global program, GOGLA is presenting the 4th International Off-Grid Lighting Conference and Exhibition in October 2015 in Dubai. The event will attract more than 600 delegates and 80 exhibitors and will, in its fourth edition, be the largest to date. This is the only global event of its kind to bring together key companies and stakeholders in a focused discussion about the state and future direction of the off-grid solar lighting and services market.
Participants will share experiences and explore new technologies, products and market trends. Participants will come together to shape the agenda of the industry by identifying how it can reach its full potential in a sustainable way. Attending parties will include the off-grid lighting and electricity industry, its suppliers, distributors and retailers, investors and financiers, government leaders, donors, and international organisations.

The focus areas of the conference will be unlocking finance for the industry, business development support, product developments, quality assurance and innovation, policy and regulation, Sustainability, and measuring the impacts of off-grid lighting.

**Power for All Campaign**
Together with d.light, SolarAid, Practical Action, Sierra Club, Off-Grid Electric, and Greenlight Planet, GOGLA launched the Power for All campaign in May 2015 at the UN General Assembly during the annual SE4All forum. Power for All promotes renewable, decentralised electrification solutions as the fastest, most cost-effective and most sustainable approach to universal energy access. The campaign seeks to unify the voice of “beyond the grid” companies and organisations so as to advocate for supportive financial and policy enablers. It also seeks to mobilise the broader sector, including manufacturers, distributors, and consumers —to de-position fossil-fuel-centric “business as usual” approaches to addressing energy access. Power for All proactively positions renewable, decentralised energy as premium-quality, climate-resilient products and services that enable a wide-range of productive uses for the global community.

**Speaking at and organizing events**
GOGLA was invited to speak at several events throughout the past year, including the launch of the international year of light, the global efficient lighting forum, the Solar Energy East Africa conference, and the CGAP “big think” event.

In addition, GOGLA has organised different sessions throughout the year to facilitate knowledge exchange and increase coordination among different actors in the sector. Together with CGAP, GOGLA hosted a work shop for pay-as-you-go companies to get a better understanding of the financial and policy challenges this emerging business model is facing. During the SE4All forum at the UN in New York, a side event was hosted aiming to promote a dialogue and coordination between the industry and different donors. GOGLA further hosted a session on the official program of the SE4All forum on how distributed solutions can help to realise universal electricity access before 2030.

**Public information outreach**
To strengthen its communication and public outreach activities, GOGLA started to use social media channels, including Twitter and LinkedIn. Several interviews have been given to journalists and GOGLA
has been quoted in diverse articles concerning energy access. In addition a new GOGLA corporate brochure has been designed and developed.

1.7. Other Activities
Over the last year, GOGLA has engaged the humanitarian sector and its agencies. At the beginning of 2015 it joined the “Safe Access to Fuel and Energy” (SAFE) steering committee that focuses on ensuring access to fuel and energy for cooking, heating, lighting, and power for crisis-affected populations. The mission of the SAFE steering committee is to facilitate a more timely, coordinated, predictable, and effective response to the fuel and energy needs of crisis-affected populations. Furthermore, GOGLA is coordinating closely with its members to provide feedback for the technical specifications used in the updated UNHRC framework tender for solar off-grid lighting.

2. Financial Management
The main income sources for GOGLA in the last year were membership fees, plus grants from IFC (USD 150,000); Shell Foundation (USD 280,000) and Hewlett Foundation via Sierra Club (USD 50,000). The total annual budget for the past year was approximately USD 600,000. It is GOGLA’s hope to move toward a doubling of the budget across the next two to three years. However, as long as membership fees do not cover the association’s budget, GOGLA will have to continue to rely on third party funding.

3. Operational Update
In September 2014, GOGLA’s office permanently moved to the Netherlands. Consequently, a Dutch association has been established and all operations have been transferred from Hong Kong to the newly established Dutch legal entity.

Over the past year, GOGLA has been able to expand its team and has hired a full time Executive Director (August 2014) in addition to a research assistant (September 2015). In May 2015, the team was reinforced by a communications and marketing officer and a senior communications specialist (part-time). Combined with the positions of the Technical Director (part time), the project manager (full time) and the financial director (part time), GOGLA now has 4.5 FTE.

With respect to membership levels, GOGLA’s base has developed well over the last year and increased from 37 members in May 2014 to 56 today.
GOGLA’s governance structure has been reinforced by a newly established advisory board. The advisory board is intended to support GOGLA by providing an external view and to point out opportunities and challenges. For strategic management decisions, GOGLA especially seeks to benefit from their expertise, knowledge and insights. Opposed to the BoD, the advisory board has no formal voting rights on corporate issues but may advise on the general direction of GOGLA (non-binding).

Moreover, an ethical review committee was established at the beginning of 2015. It can be called upon by individual GOGLA members if another member is alleged to be not compliant with ethical standards as outlined in GOGLA’s bylaws. The ethical review committee consists of independent experts as well as the BoD and shall serve in such a case as a body for making independent third party judgements.

3. Outlook and priorities for 2015/16

In the year ahead, GOGLA will continue to support market development. Priority areas will be market data collection, quality standards, advocating against VAT and import duties, as well as strengthening GOGLA as the voice of the industry.

For market data collection, GOGLA will continue to collect sales data and is planning to expand its efforts to the tracking of investment. In addition, GOGLA seeks to implement harmonised social impact reporting among its members, allowing GOGLA to aggregate the data. In October 2015, it is planned to jointly publish, with the Lighting Global team, the next market trends report.

In the field of quality assurance, GOGLA is actively engaging partners to identify solutions for the transitioning of the Lighting Global quality assurance framework. It will facilitate the dialogue via workshops and meetings and continue to provide industry feedback and views.

In the field of policy and regulation, GOGLA intends to publish a handbook in October 2015 presenting various industry opinions. GOGLA also aims to further expand its advocacy efforts for VAT and tariff exemptions in cooperation with national partners.

The focal point of the upcoming year will be the 4th International Off-Grid Lighting Conference and Exhibition that takes place in October 2015. The event will bring together all key sector stakeholders to identify avenues towards scaling the sector quickly and sustainably.

Last but not least, the coming year will be crucial in shaping the international policy landscape, especially with regards to the upcoming climate negotiations. With the Power for All campaign, GOGLA seeks to raise the awareness for the sector and the role it can play in mitigating climate change in order to secure increased support for the overall sector.