

Lesotho

Introduction

This note was developed by Global Off-Grid Lighting Association (GOGLA) with the support of the World Bank Group Lighting Global Program, the Energy Sector Management Assistance Program (ESMAP), the Shell Foundation, USAID, Power Africa, the UK Department for International Development (DFID) and Sustainable Energy for All (SEforAll). It is part of a series of briefing notes that provide a high-level overview of the status of different countries' off-grid solar markets, as well as relevant policies and programs¹.

However, to illustrate the impact potential of off-grid solar, an example has been included below using a proxy number of 10,000 sales of off-grid solar products. This would lead to:

43,760 people currently living with improved energy access – clean, safe solar light

1164 people currently using their products to support an income-generating enterprise

10,185,100 additional light hours unlocked for study, productive tasks or leisure time

Key statistics^{2&3}

Demographics	
Total Population	2,233,340
Population Density per km ²	73
GDP per Capita	USD 1,181
GDP Growth	5.6%
Energy Access Deficit	
National Electrification Rate	29.7
Urban Electrification Rate	66
Rural Electrification Rate	15.7
Number of households without power	340,000
Electrification Planning	
Electrification Targets ⁴	Electrification rate of 75% by 2020

Sales (pico and SHS)

GOGLA has no publicly available sales data for Lesotho⁷.

Current status

At present, around 30% of the Lesotho population has access to electricity, with a sharp divide between urban (66%) and rural (16%) areas. Lesotho is a mountainous country and the challenging topography – especially in the Southern part of the country – means that grid extension is costly and often unfeasible. Off-grid solar products could play a prominent role in the electrification of households, but the off-grid solar market is currently nascent with only a few local players operating at small scale and only one company selling IEC/Lighting Global quality-verified products. However, the Lesotho Government considers off-grid products to be an important part of their work towards universal access to electricity,

Impact⁵

GOGLA has no publicly available sales data for Lesotho, so therefore no specific impact data can be provided⁶.

¹ The information and views expressed in this brief are GOGLA's alone and are based on our current understanding of the policy situation in this country. We welcome any updates, revisions or clarifications at info@gogla.org.

² <https://data.worldbank.org/>

³ <https://www.usaid.gov/powerafrica>

⁴ [Scaling-up Renewable Energy in Low-Income Countries SREP Investment Plan for Lesotho, Government of Lesotho, 2017](#)

⁵ These impact numbers have been estimated using the revised [Standardized Impact Metrics for the Off-Grid Solar Energy Sector](#). Data is drawn from the sales of off-grid solar products by GOGLA Members and IFC/Lighting Global affiliates since mid-2014. The impact of sales in previous years and by non-affiliated organizations are not included.

⁶ Data on a specific region, country or product category is only included when it has satisfied the three-data point rule, meaning that at least three separate product manufacturers have reported data for any single data point. When we have fewer than three responses for a region, country or product category, no results are shown to protect the proprietary interests of the companies who have supplied data in support of this industry report.

⁷ See three-data point rule explanation above.

as outlined in its Scaling-up Renewable Energy Investment Plan (SREP)⁸. With this investment plan, Lesotho aims to enable increased adoption of renewable energy technologies, such as wind, solar and small hydro power, through the development of commercial on-grid and off-grid renewable energy markets. The plan aligns with the government's Vision 2020 goals to increase private sector investment in infrastructure and promote increased use of renewable energy.

Promoting Quality

The Lesotho Standards Bureau was only recently operationalized, and no quality standards have been adopted to date.

Taxation

There is both import duty and sales tax for solar products in place, however, there is no import duty on products from South Africa. As part of SREP, the government is considering excluding off-grid products from sales tax in the future.

Investment

The Government of Lesotho expects that US\$18.5 million of SREP funding will leverage over three times as much investment by organisations such as the World Bank, the African Development Bank (AfDB) and private investors. The aim is to have a self-sustaining market for off-grid investment by the early 2020s.

Sector Support Programs

Donors such as World Bank, United Nations Development Programme, African Development Bank and the European Union are involved in the energy sector in Lesotho, including both on and off-grid work.

Opportunities and Barriers

It is expected that SREP will provide opportunities for the development of the off-grid solar market. The current major barriers for market growth include the influx of poor-quality products, the lack of a regulatory

framework governing the importation of solar products, the absence of financing to provide working capital for scale up, the lack of technical capacity to operate and maintain solar home systems (SHS), and low demand due to market spoilage from poorly designed and managed SHS distribution pilots.

Further Information

- [Lesotho 2020 Vision, Government of Lesotho](#)
- [Lesotho Energy Policy 2015–2025, Kingdom of Lesotho, 2011](#)
- [Scaling-up Renewable Energy in Low-Income Countries SREP Investment Plan for Lesotho, Government of Lesotho, 2017](#)

⁸ [Scaling-up Renewable Energy in Low-Income Countries SREP Investment Plan for Lesotho, Government of Lesotho, 2017](#)