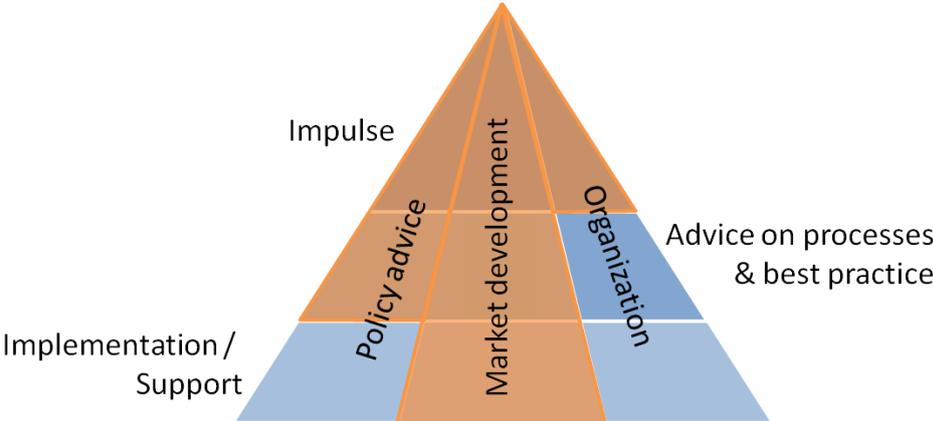




Concept

BSW-Solar Association Partnerships



Background

Within the framework of development cooperation (Federal Ministry for Economic Cooperation and Development - BMZ, German Agency for International Cooperation - GIZ) and foreign trade and investment promotion (Federal Ministry of Economics and Technology's Renewable Energies Export Initiative / GIZ's project development program), BSW-Solar has increasingly been receiving requests to engage in professionalization dialogues with solar industry associations in emerging and developing countries, advising these associations in technical questions or establishing long-term partnerships.

With this concept, BSW-Solar lays out the principles for such partnerships and sets the framework for the activities of BSW-Solar.

Content

Functions and tasks of solar industry associations	3
Creation of reliable framework conditions.....	3
Sectoral and economic development	4
A source of information and knowledge	4
Awareness building	4
Objectives of BSW-Solar in association partnerships.....	5
Typical support required by solar associations in emerging and developing countries	5
Possibilities of cooperation for solar energy / renewable energy associations within the framework of association partnerships with BSW-Solar	7
Examples of activities.....	9
Analysis and evaluation of potential partner associations.....	12

Relevance

The markets for the broad utilization of renewable energy sources are growing around the world; out of environmental and economic policy considerations, more and more countries are committing to the expansion of renewable energy sources and the transformation of the existing energy system. The market development, however, is still largely driven by political factors and is dependent on suitable framework conditions, and this is particularly true in the area of solar power. For companies, these new markets represent potentially lucrative business opportunities that can be tapped along the entire value chain.

One of the conditions for a sustainable development of these new markets is the presence of strong local structures in the private sector, which can accompany the development of political, legal and technical framework conditions. Mergers between industry associations in the solar energy sector provide ideal institutions for this to occur. By coordinating private sector stakeholders and promoting dialogue with political actors, such mergers can make a contribution to sustainable market development and build investment security for this growing industry.

Within the framework of development cooperation, the building of professional association structures can promote sustainable capacity development in the energy sector at micro, meso and macro levels.

BSW-Solar sees content-based and organizational cooperation with national association structures of the solar industry as an effective means of promoting sustainable development in local solar markets. At the same time, BSW-Solar pursues the goal of involving the German solar industry in the development of these markets.

Functions and tasks of solar industry associations

As institutions of the energy economy, solar industry associations assume functions and tasks that are essential for the overall development of the local energy market. BSW-Solar considers the following tasks to be the core activity of solar industry associations. Depending on the organizational level of development and the membership structure of the respective associations, slight differences in the specifics of these tasks exist.

Creation of reliable framework conditions

- They tie together the needs of market players and represent the interests of the private sector in dialogue with political, administrative and other energy economy stakeholders.
- They participate actively in the development of suitable and coordinated framework conditions.

- They develop energy and climate policy models that serve as drivers of governmental energy policy and bundle the joint interests at all stages of value creation.
- They develop solutions for legal, technological and economic challenges of the coming system transformation at an early stage.

Sectoral and economic development

- They develop strategies for industry-specific development.
- They stimulate the demand for solar energy.
- They address relevant overarching questions such as
 - development and systemization of business models
 - development of financing models.
- They launch and implement support programs and initiatives.
- They play a role in the drafting and introduction of standards and norms.
- They establish business and customer contacts between companies at home and abroad.

A source of information and knowledge

- They compile and share relevant information and data pertaining to the solar industry.
- They monitor and inform companies, government stakeholders and the general public on developments in the industry.
- They provide market players with support regarding technical and legal questions.

Awareness building

- They help build a positive image of solar technology.
- They assist market players in public relations.
- They identify facts and shape arguments that build and cement the acceptance of a strong solar power presence in politics and society.
- They provide political, business and societal stakeholders with timely information on changes in the energy supply system in order to mitigate any later resistance.
- They team up with representatives of other renewable energy sources to achieve the above-mentioned tasks in the most efficient and effective way possible.

Objectives of BSW-Solar in association partnerships

BSW-Solar, together with its over 900 member companies, pursues the systematic and structured shaping of association partnerships with the following objectives:

- Development of a sustainable local solar market in the association's country / region
- Strengthening of local association structures to create favorable framework conditions for a sustainable solar market
- Creation of a marketplace for trade and investment
- Development and dissemination of quality standards
- Development of business opportunities, local partners, sales and service structures on site for BSW's member companies
- More exclusive access / exchange of market information in the respective country, more in-depth background knowledge

Typical support required by solar associations in emerging and developing countries

In contrast to established industries, the bundling of the solar value chain under one association is new territory for solar energy companies. These are often new to the market and are not yet aware of the political opportunities and challenges that an association can address. Experience in building association structures is also uncommon. For this reason, there is usually a relatively strong need for advice regarding potentials, organizational aspects, possibilities of exerting influence as well as strategy and task planning for a solar industry association interested in shaping the energy policy in the association's home country.

Typically, solar industry associations in emerging and developing countries need to expand their competences in three areas.

1. Establishing professional **policy advice** / lobbying work in the country
2. Measures for **market development**
3. Work on the **association's organization** and structures

In the area of policy advice, these are in particular the competences for

- **developing and legitimizing positions** in political dialogue. This comprises, on the one hand, the ability to develop and formulate a professionally substantiated position on specific questions. On the other hand, it includes procedures and processes to legitimize the position as "that of the solar industry", including a certain degree of transparency pertaining to procedures;

- developing compelling **positive arguments** for solar energy and bolstering these with facts in order to gain the upper hand in the energy debates with new and strong arguments;
- effective **lobbying** for solar interests in political processes. This entails the understanding of how “politics are done” in the respective political framework and how decisions are influenced and made. This is the starting point for the approaches and activities of lobbying work;
- building and cultivation of **networks**;
- strategic / **results-based prioritizing of activities**, in order to utilize limited resources as effectively as possible.

In the area of **market development**, there is a need for developing measures / activities to

- secure the **quality** of solar technologies, e.g. introduction / implementation of standards and certifications,
- create **financing products** and **investment security**,
- stimulate and develop **demand** for solar energy products,
- provide **(solar) market information** and evaluate potentials,
- create a positive image of solar power,
- develop and expand **value creation** and **value chains**,
- create marketplaces for solar power and technology, for example through trade fairs, solar technology guidelines and reference resources, matchmaking or the building of networks;
- achieve the **economic and technical system integration of solar power** into the energy system and the existing infrastructure.

During the **organizing and building** of the association, there is often a need for professional support in shaping the

- member services and the related creation of additional sources of revenue,
- external self-presentation and communication of benefits of membership,
- operative organizational structure,
- planning processes, operations planning, budgets and staffing,
- management of membership and head office structures,
- internal knowledge management,
- organization of institutional bodies and entities,
- constitution of the association with its statutes, by-laws and institutional make-up with regard to the membership / rights and obligations of the member with regard to the association as well as compliance rules and antitrust requirements.

Possibilities of cooperation for solar energy / renewable energy associations within the framework of association partnerships with BSW-Solar

Within the framework of development cooperation and efforts to promote foreign trade and investment, BSW-Solar offers peer-to-peer support “at eye level” for the further development of the solar energy sector in emerging and developing countries.

With more than 30 years of experience in national lobbying and nearly 10 years of lobbying at European and international levels, BSW-Solar has matured into an organization that has recognized the key success factors for a sustainable development of the solar market and has learned from undesirable developments in the market and in the political arena. Despite the fact that the framework conditions in emerging and developing countries can differ significantly from those in Germany, the methodological experience and knowledge is transferrable and can be used as a reference point and basis for discussion.

The configuration of BSW's association partnerships is demand-driven and defined in dialogue with the partner organization.

The **areas** in which activities are possible in the context of BSW association partnerships depend on what kind of support is needed.

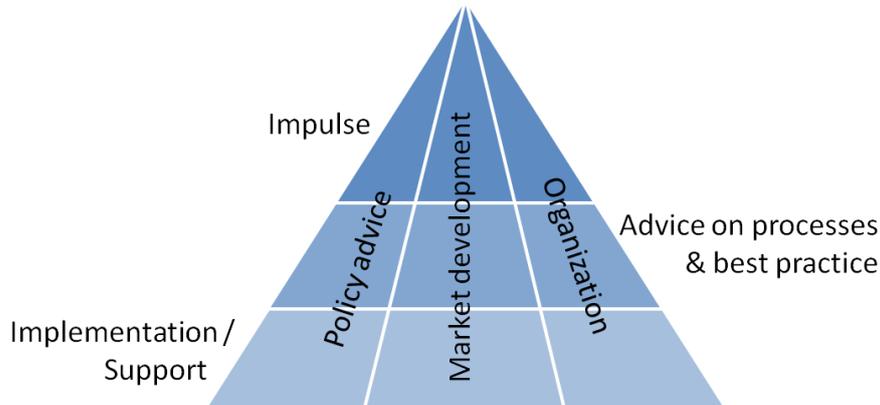
1. Implementing professional **policy advice** / lobbying work in the country
2. Measures for **market development**
3. **Organizing** and building the association

Within these areas, cooperation can be calibrated with various degrees of **intensity** BSW-Solar distinguishes the following three levels:

1. **Impulse:** Situation identification, exploration and evaluation of strategic options for action
2. **Advice:** Process analysis, implementation, process facilitation
3. **Implementation:** Implementation of specific (cooperative) projects and support of projects

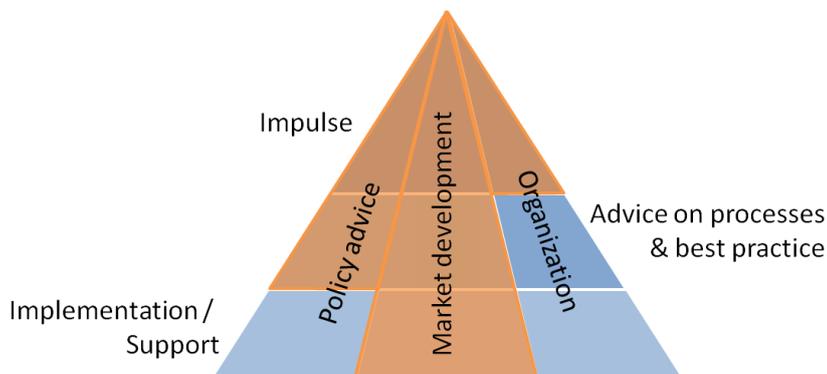
Service spectrum

This results in the following spectrum of possible topics and services



Intensive cooperation between BSW-Solar and local solar industry association structures is advantageous in many of these areas. Based on the association's competences, effectiveness and mandate, BSW-Solar offers the following areas of expertise for activities in the context of association partnerships.

- In the area of **POLICY ADVICE**, BSW-Solar can become active at the levels **IMPULSE** and **ADVICE ON PROCESSES AND BEST PRACTICES**. The implementation of projects is not the appropriate approach here, as this is a core area of activity that a local association should conduct on its own.
- In the area of **MARKET DEVELOPMENT**, BSW-Solar can become active at the levels **IMPULSE**, **ADVICE ON PROCESSES AND BEST PRACTICES** and **IMPLEMENTATION** of projects.
- In the area of **ORGANIZATION**, BSW-Solar can become active at the level of **IMPULSE**. In aspects of organizational development that go beyond this, the association can only become active to a limited degree; these activities, however, could be taken on by other organizations involved in development cooperation.



BSW-Solar's areas of expertise within the framework of association partnerships (red)

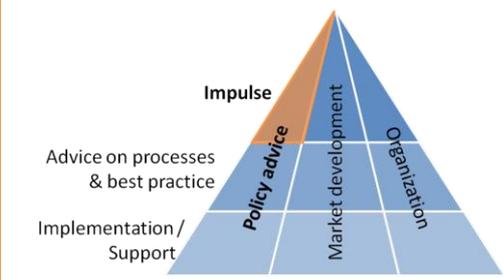
Instruments

To implement activities in its areas of expertise, BSW-Solar makes use of the following set of instruments

- Assessment of local challenges based on 30 years of experience in Germany: Review of experiences and methods of BSW
- Leveraging and utilization of expertise from member companies, industry stakeholders and public institutions
- Best practice analysis
- Literature research
- Concept work
- Various workshop methods
- Establishing contact to experts among BSW members or other political, educational or scientific institutions

Examples of activities

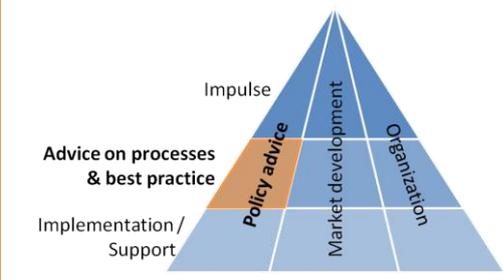
Activities in the area of **impulses for policy advice** are, for example



The diagram shows a pyramid divided into three vertical sections: 'Policy advice' (orange), 'Market development' (blue), and 'Organization' (blue). The pyramid is also divided into three horizontal levels: 'Impulse' at the top, 'Advice on processes & best practice' in the middle, and 'Implementation / Support' at the bottom.

- Analysis of the political environment and political stakeholders
- Assessment of funding and legal framework with regard to private sector investments in solar projects
- Analysis of political processes
- Discourse analysis: Argumentation modules for gaining the upper hand in public opinion for the solar agenda

Activities in the area of **advice on processes / best practices** for policy advice are, for example



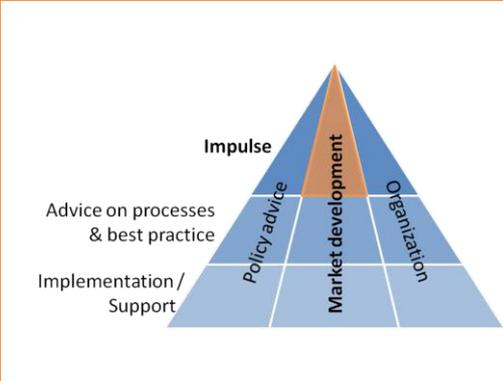
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- Guidelines on “how to advocate”: Success factors for lobbying processes
- PV LEGAL¹: Analysis and solution proposals for legal and administrative barriers
- PV GRID²: Analysis and solution proposals for barriers to grid integration
- Consulting on campaign planning for political communication
- Policy internship at BSW-Solar

¹ An EU project headed by BSW-Solar aimed at eliminating legal and administrative barriers in EU Member States, see also www.pvlegal.eu

² An EU project headed by BSW-Solar aimed at eliminating barriers to network integration of PV in EU Member States, see also www.pvgrid.eu

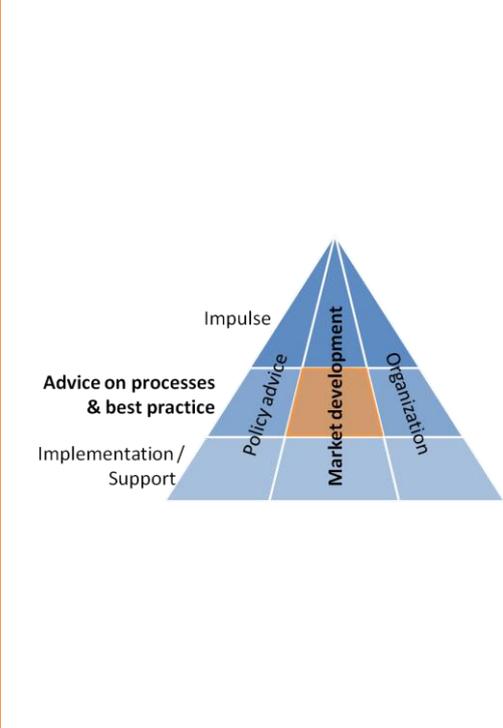
Activities in the area of **impulses for market development** are, for example



The diagram shows a pyramid with three horizontal levels. The top level is labeled 'Impulse'. The middle level is labeled 'Advice on processes & best practice'. The bottom level is labeled 'Implementation / Support'. The pyramid is divided into three vertical sections: 'Policy advice' on the left, 'Market development' in the center, and 'Organization' on the right. The 'Market development' section is highlighted in orange.

- Analysis of the market environment and the market potential (target groups, market volume, application areas)
- Description of local functioning business models
- Analysis of the value chain: Depiction of existing and required supplier structure
- Overview of suitable norms and standards
- Analysis of sales and procurement channels for solar products (e.g. trade fairs, virtual marketplaces)

Activities in the area of **advice on processes / best practices for market development** are, for example

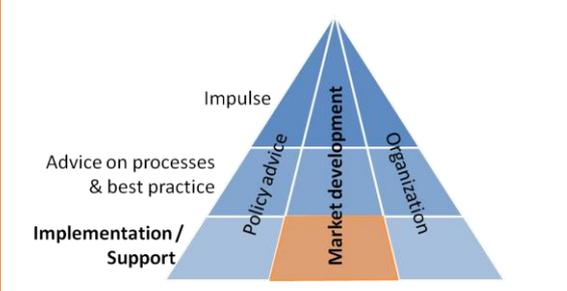


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- ENABLING PV³: Description of investment processes
- Analysis of market barriers and recommendations for their elimination
- Advice on sectoral strategies (industry and cluster development, qualification measures, roadmaps)
- Measures to increase the quality of locally used solar energy products used, such as norms and standards for technology and training courses relevant to solar power
- PV FINANCE: Development of suitable financing models for market-based business models
- Market intelligence: Methods for collecting relevant market data and information, industry statistics and industry analyses
- Campaign planning: Development of strategies for awareness building and disseminating information on solar energy products

³ BSW-Solar-advisory services for the analysis of the investment decision-making process for PV solar projects in emerging solar countries (applied in Jordan, Tunisia and Brazil)

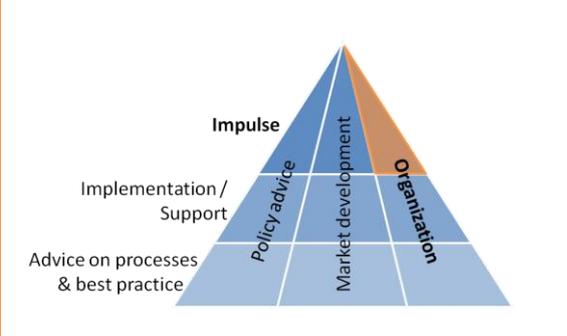
Activities in the area of **implementation of projects for market development** are, for example



The diagram shows a pyramid divided into three horizontal layers. The top layer is labeled 'Impulse'. The middle layer is labeled 'Advice on processes & best practice'. The bottom layer is labeled 'Implementation / Support'. The pyramid is also divided into three vertical sections: 'Policy advice' on the left, 'Market development' in the center, and 'Organization' on the right. The 'Market development' section is highlighted in orange.

- Joint information and marketing events by and for companies of both associations (e.g. campaigns, conferences)
- Joint publications to depict the range of services offered by member companies
- Joint operation of matchmaking platforms
- Implementation of joint projects (e.g. a "quality initiative")

Activities in the area of **impulses for the association organization** are, for example



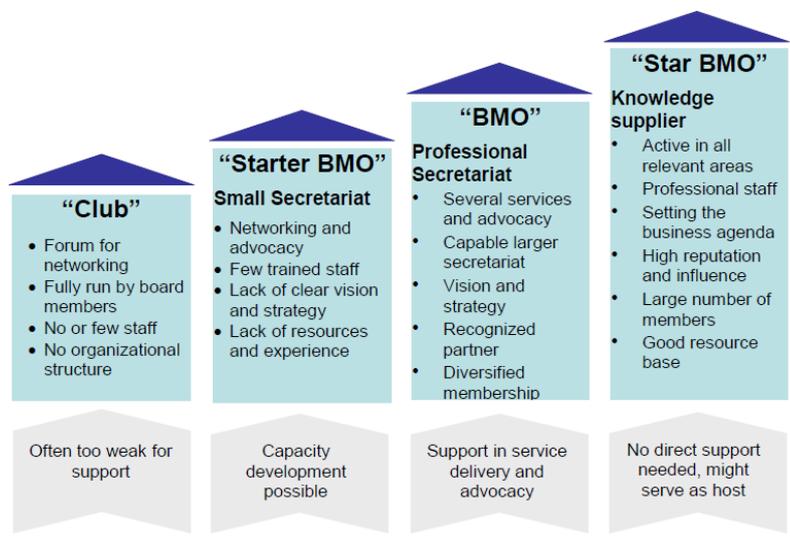
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- Recommendations for professionalization of the partner association, internal and external profile building, development of member services such as training and qualification courses, trade fair partnerships, legal advice for members etc.
- Standardization / quality control measures
- 360-degree analysis to determine the effectiveness of the association
- SWOT analysis

Analysis and evaluation of potential partner associations

Criterion	Indicators
Market conditions	
Market prospects	<ul style="list-style-type: none"> ✓ Energy policy situation in the relevant country is positive with respect to future market growth ✓ Realistic goals for the expansion of renewable energy sources (solar power) exist ✓ An ambitious and serious renewable energy policy is evident. Indicator: ✓ The national government or business community are already involved in development cooperation projects or have been in active contact with German or similar markets in the context of delegation trips
Market relevance for German companies	✓ Rated by BSW member companies in the respective technology as a C-Market ⁴
Relevance of the country for German government	✓ Considered by German development cooperation or foreign trade promotion institutions to be a promising area for thriving economic cooperation and receives support accordingly
Potential partner associations	
Similarity of association with BSW-Solar	<ul style="list-style-type: none"> ✓ It is a solar industry association, renewable energy association or a solar power section of an established industry association (electronics, mechanical engineering, installer or heating systems) ✓ Technological focus: Photovoltaics and / or solar heating ✓ Solar <u>companies</u> are members (no umbrella organizations)
Progressive mission	✓ Mission and objective of the association are conducive to

⁴ Within the framework of the strategic orientation of the Renewable Energies Export Initiative, solar industry companies regularly evaluate the state of development of target markets through BSW-Solar. To classify target markets in the use of instruments to promote export, four categories have been defined to describe markets attractive for export; these categories characterize the degree of maturity of a market that is subject to an ongoing dynamic process. The classification distinguishes A, B, C and D markets, with decreasing degrees of maturity. C-Markets are the "sleeping giants" for the German export of RES technologies, because they show substantial market potential that has not yet been developed. The high potential arises mainly from a mix of a good resource situation for RES, a rising demand for energy, possibly a high dependency on energy imports, high energy costs and high or rapidly growing economic power. The signals of the energy policy decision-makers indicate a timely market development for RES through the creation of a suitable market framework; important fundamental energy industry framework conditions, such as the possibility for independent electricity or heat producers to become active in the market, have already been created. The market to date is only tapped to a limited degree, and the level of competition for the sales of installations is correspondingly low. Often, the regulatory framework for the planned expansion of the respective technologies is not yet developed in detail. There is a lack of implementation regulations for approval procedures, local authorities are not familiar with how to handle the new technologies, banks have difficulties with project financing, there is an insufficient sales structure for unbureaucratic loan programs for financing with capital from outside sources etc. There is a significant need for information regarding sales, project planning and financing, both on the part of local companies interested in doing business with renewable energies and on the German side. In C-Markets, the focus of the measures of the Renewable Energies Export Initiative is on capacity building to develop the markets, coupled with measures to explore the markets and initial measures on market access for positioning of German companies.

and objectives of association	<p>achieving renewable energy supply with significantly increased levels of solar energy</p> <ul style="list-style-type: none"> ✓ Association represents solar interests vis-à-vis other renewable and fossil energy sources.
Relevance of the association	<ul style="list-style-type: none"> ✓ Is considered to be the most relevant association in the solar energy sector ✓ Covers a maximum range of the value chain with its membership
State recognition	<ul style="list-style-type: none"> ✓ Association is recognized by the government as a legitimate discussion partner in the political dialogue.
Degree of professionalism	<ul style="list-style-type: none"> ✓ Association structure, in its development stage, is at least at the level of a "starter BMO" (see diagram) <p style="text-align: center;">Phases of BMO Organizational Development</p>  <p style="text-align: center;">Source: SEQUA</p> <ul style="list-style-type: none"> <ul style="list-style-type: none"> ○ Association meets minimum requirements regarding <ul style="list-style-type: none"> ○ official status and governance (structures of the association's management and controlling system) ○ membership and coverage ○ quality of leadership ○ resources ○ communication and mobilization capacity ○ relevance in the political dialogue (advocacy / lobbying) ○ services provided <p>Requirements depend on the context, are defined according to the objective of the partnership or the joint project and are comparable to those of other potential party organizations.</p>
Language	<ul style="list-style-type: none"> ✓ Communication and work in English is possible

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