

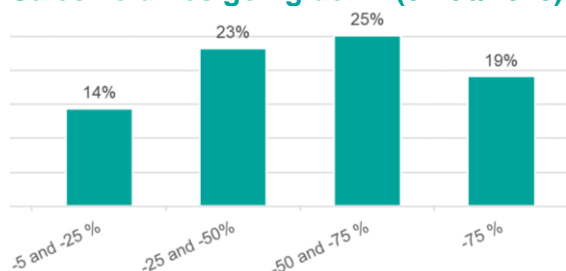
COVID-19 Energy Access Industry Barometer

With a view to better understand the rapidly evolving economic situation in partner countries in the context of the COVID-19 pandemic, EnDev spearheaded a broad alliance of sector stakeholders to conduct the most inclusive and global survey of the off-grid energy industry to date – the Energy Access Industry Barometer. The results represent feedback from more than 600 companies across 44 countries which provide energy access through mini-grids, clean cooking solutions, household solar products, and appliances.

The energy access sector is in crisis

The survey shows that the situation has worsened since surveys earlier in the year – across the sector, market data shows that demand, sales, and turnover are pointing into one direction: downwards. Hard-won gains over the last decade in social impact and poverty alleviation achieved by the sector are at risk.

Sales volumes going down (04-06/2020)

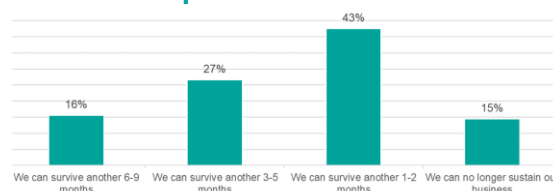


Many businesses fear for their survival, large number of jobs at risk

The survey indicates that 85% of the companies are struggling with survival beyond a period of more than five months. And half of them even beyond the next two months. Especially small companies (e.g. distributors) are more severely affected by the crisis. The crisis has reached a critical

stage for most of the companies, with severe impacts on employment and ultimately on livelihoods. 35% of companies have already laid off 30% of their staff; additional staff will be laid off in the next few months if no immediate support is available.

Financial impact



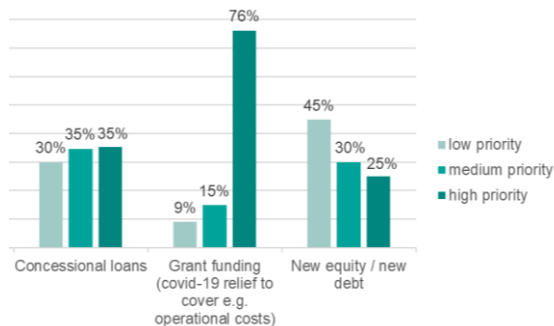
Access to finance is key – sector needs special vehicles

The sector has broad finance needs; particularly for short-term grant relief but also new long-term equity/debt and concessional loans. While the sector is highly diversified, responses must be specific to meet the range of needs. 31% of companies with an annual turnover between 20,000 to 200,000 USD are in need of direct support of up to 25,000 USD; another 25% are in need of support of 25,000 to 50,000 USD. For companies such as last mile distributors which operate



at the lower end of annual turnover, i.e. up to 10,000 USD, the situation is even more critical: 45% of companies are in need of direct support of up to 5,000 USD; another 20% are in need of need of direct support of 5,000 to 10,000 USD. Swift and innovative grant instruments are required to reach small enterprises and complement the concessional loan relief funds in the pipeline.

Grants are top priority



A stunning 79% of companies has so far been unable to access financial relief. However, for roughly one third of the companies a grant of 10,000 USD would be a game-changer. Half of the companies would require less than 50,000 USD to help them survive the next six months (grants/loans).

The message from affected energy companies is clear: We need

comprehensive and flexible support – but most importantly, we need it now.

Further sector insights

Looking at staff layoff, data shows that small businesses (below 10,000 USD annual turnover) are most heavily affected by the crisis. However, so far there is little availability of response instruments for this specific group of companies. At the same time, the crisis is not sparing larger companies: more than 60% of PAYGO companies and mini-grid operators indicate a collection rate decrease of at least 25% compared to the same period last year (March to May). It is important to note, however, that anecdotal evidence from some larger businesses seem to contradict this and indicate that collection rates are holding up relatively strong. This might be due to regional differences but requires further scrutiny and assessment. From a regional angle, it becomes apparent that East Africa is severely affected. With 35% of businesses moved to hibernation mode (15% over the other regions) this merits special focus.

The overall picture remains to be very bleak: major progress over the last decade towards universal energy access is at risk if no immediate support will be provided.

The survey is available via www.endev.info and was conducted in partnership with:





Energising Development

EnDev provides access to energy in Africa, Asia and Latin America. Improving the lives of the most vulnerable people, ensuring no one is left behind, and creating economic opportunities and green jobs by building markets for modern, renewable energy is at the core of EnDev. EnDev contributes to reducing greenhouse gas emissions to protect our planet's climate.

At a glance

Around 4 billion people have no access to electricity or modern cooking technologies. This has a dramatic impact on quality of life, environment, health, education and income opportunities. EnDev's involvement focuses on providing access to modern, renewable energy. This is a pivotal factor in strengthening socio-economic development and combatting climate change.

EnDev's drive is to improve the lives of the most vulnerable people, ensuring no one is left behind. Economic opportunities and green jobs are created by building markets for modern, renewable energy. EnDev contributes to reducing greenhouse gas emissions to protect our planet's climate. Its approach is to empower structural, self-sustaining change; kickstarting a market and sector development that evolves further without support by EnDev.

EnDev's work is about people. Results are monitored and reported rigorously. By 2019, EnDev has helped 22.9 million people gain access to electricity or improved cooking technologies. EnDev has reached 27,390 SIs and 53,860 SMEs and reduced carbon emissions by more than 2.3 million tonnes of CO₂ per year.

EnDev is a strategic partnership. Dedicated donors, partners and individuals work together to support social development and economic growth by providing access to modern, renewable energy in more than 20 countries around the globe. The driving force behind EnDev is the partnership of Germany, the Netherlands, Norway, Switzerland, and the United Kingdom; donors who are committed to accelerating energy access and socio-economic development.