

Asia Clean Energy Forum

Energy Access Amidst COVID 19 and Beyond

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Impact of COVID-19 on the off-grid energy sector



Short term:

GOGLA survey March 2020:

- Average disruption = 7 out of 10
- Main disruption factors: 1) reduced sales; 2) reduced payments; 3) fundraising becoming harder; 4) supply chain challenges
- 50% of companies indicated they could sustain for about 3–4 months, but then get into serious trouble. 7% indicated that they will be in an immediate financial trouble.

Impact also dependent on the country measures and individual company resilience.

Universal concern for next months:

1. if prolonged, could lead to large staff lay-offs and many company bankruptcies in next months
2. Not enough grant funding and no mechanism for many smaller companies (requiring grants, highly concessional debt, or debts <EUR 200k– \$35M in total)

Long-term hypothesis:

- Reduced incomes, ability to pay; consumers might be forced to sell their assets.
- Fewer investors, lower risk appetite.
- Long-lasting operational/supply chain disruption
- Reversal of specialization and consolidation into a few vertical integrated players.
- New areas of specialization (focus on mini-grids to power hospitals, schools, etc.).
- New value in last-mile network (hygiene and supply chain logistic requirements).

N.B. Upcoming additional insights:

[60 Decibel survey](#), 250 customers x 6 countries x 3 months
[TBC: portfolio data from PAYGo companies]

How governments, organizations and private sector have reacted to the crisis and towards resiliency

Government Actions:

- Governments in Asia and of Africa -Kenya, Rwanda, Zambia, Senegal, Nigeria, Togo, Cote d'Ivoire, and Burkina Faso and others have pushed measures like putting off-grid solar on the list of essential items
- Package for MSMEs
- Loan moratorium
- Support to the energy/RE sector

Other/ Development Organizations:

- Technical assistance-Power Africa, PFAN, The Clean Cooking Alliance offering TA support on various topics
- Resource Information-GOGLA -Resource center, IFC-LA-COVID-19 Resource etc.
- 60 Decibels -collaboration with GOGLA, DOEN Foundation, CDC, and CGAP [surveying consumer's experiences](#)
- Relief funds

Private Sector:

- Pay As You Go Companies working closely with the consumer to reduce the pain
- Pivoting business models-health sector focus
- Communication-partners, lenders, supply chain and the customer
- Diversifying

Post-COVID 19 opportunities and actions- for a sustainable energy infrastructure in pursuit of SDG 7 by 2030.

- Industry speak- "It is a black swan event..." demand for sustainable, clean energy to increase- turn around in the medium term
- Governments' support- to retain focus and targets-(Indian government announcement maintaining the 175 GW RE capacity by 2022-target), increased window for fresh RE tenders etc.
- New opportunities to emerge in health, agriculture and other sectors-freezers for vaccine, solar water pumps, SHS, productive use appliances in rural areas
- Opportunity for off-grid to make communities resilient by powering community assets- healthcare, schools and other administrative/social infrastructure, esp. in the disaster and pandemic, post – pandemic situations
- Focus on co-existence and better interplay between grid and off-grid facilities
- Low cost and nimble organizations-pushing for creating customer value
- Working remotely, digital transformation
- Availability and proper use of funds like the Relief fund-to protect the 370,000 jobs in the sector and continue to march on the much accomplished path towards SDG 7 goals

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