

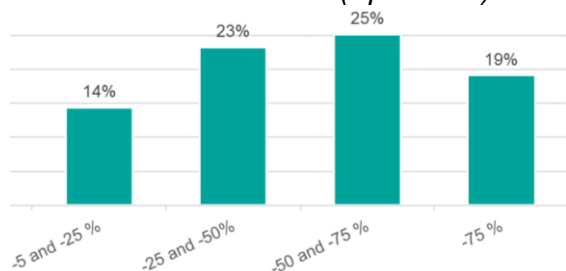
COVID-19 Energy Access Industry Barometer

Against the background of the on-going COVID-19 pandemic and with a view to better understand the rapidly evolving situation in partner countries, EnDev spearheaded a broad alliance of sector stakeholders to conduct to date's most inclusive and global survey of the off-grid energy industry – the **Energy Access Industry Barometer**. The results present a picture from 613 companies across 44 countries, that provide energy access through mini-grids, clean cooking solutions, household solar products and appliances.

1) The energy access sector is in crisis

The recent survey shows that the situation has worsened since surveys earlier in the year - across the sector actual live market data show that demand, turnover, and sales 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. As is the sector's ability to achieve SDG7 - and the many other SDGs that depend on energy access.

Sales volumes are down (April-June)



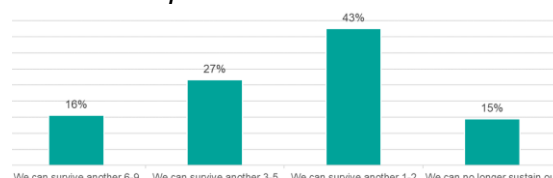
2) Many businesses fear for their survival, large number of jobs at risk

The Barometer indicates that 85% of the companies are struggling with survival beyond a period of more than 5 months. And half of them even beyond the next 2 months. Especially small companies (e.g. distributors) are more severely affected by the crisis.

The crisis of the sector has entered an existential level for most of the companies, with severe impacts on employment figures

and ultimately on livelihoods. We see the economic and humanitarian crisis coincide.

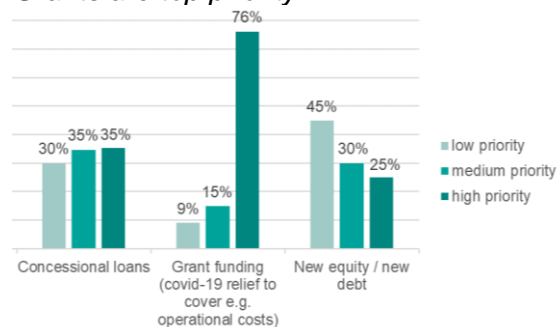
Financial impact



3) 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. The sector is very diverse, and the responses must be specific and appropriate to meet the range of needs. New grant instruments are required to reach small enterprises and complement the concessional loan relief funds in the pipeline.

Grants are top priority





Sector-deep dive, company types, and regional effects

The survey offers a unique picture of a very diverse sector in distress and can be accessed via www.endev.info

Looking at staff layoffs, severity of the impact and medium-term business projections the data show **that small businesses** (below 10,000 USD annual turnover) are most **heavily affected** by the crisis. At the same time past surveys (EnDev, get.invest) showed that there was little availability of response instruments for that specific group of companies.

Value for money

For roughly one third of the companies a grant of 10,000 USD would be a game-changer – that is 2 mio. USD to save 200 companies.

Half of the companies would require less than 50,000 USD to help them survive the next 6 months (grants / loans).

The crisis is not sparing companies with a more long-term business model: **More than 60% of Pay-Go / credit and Mini-grid operators** indicated for the period of March until May (2020) a **collection rate**

decrease of at least 25% compared to the same period last year. It is important to note, however, that anecdotal evidence from some big sector players contradicts this and indicates that collection rates are holding up relatively strong. This might also be connected to regional differences but requires further scrutiny and dialogue with the sector.

From a **regional angle**, it becomes apparent that East Africa is much more severely affected. With 35% of businesses moved to hibernation mode (15% lead over the other regions) this merits special focus.

In **conclusion** the picture is very bleak, but in line with reports about other major sectors in these regions. Major advances over the last decade towards the **universal access goals (SDG7) are at risk of being undone** in a short period of time by the severity of the crisis, which is extending month by month.

Companies are reporting a fatigue in responding to surveys, their message is clear: We **need comprehensive and flexible support** – but most importantly, we need it **now**.

The survey was conducted by Endev in a strategic partnership:

