COVID-19 has resulted in widespread production shutdowns and supply chain disruptions due to port closures and quarantine lockdowns in China, causing a “twin supply-demand shock” across global economic sectors.*

MANUFACTURING DELAYS:

- Manufacturing delays or shutdowns have a direct impact on the ability of companies to source new components and replenish their inventory.
- Even if production starts to come back online, the initial lockdown and stock shortages can lead to significant delays in supply chains.
- Procurement is also being delayed by a rush on forex in many African countries. As governments prioritize forex for importing medical equipment, off-grid solar companies might not be able to settle payments to their suppliers, delaying their orders.

MANUFACTURING DELAYS:

- On the ground information, past market performance, up-to-date market intelligence, and insights from sales agents will all need to be leveraged to forecast demand for products and services.
- Demand forecasts should inform procurement decisions, taking into account changing lead times associated with the pandemic-related supply chain disruptions and shifts.

For more information, refer to:
Sustainable Energy for All:

COGID-19 RESPONSE
INFORMATION SHEET 5
SUPPLY CHAIN PRACTICES
FOR OFF-GRID SOLAR COMPANIES

For more information, refer to:
EEP Africa: https://eepafrica.org/how-to-covid-proof-companies/
POTENTIAL SHORT-TERM SOLUTIONS

- Ship semi-finished products and finish the products in-country. This could potentially boost local assembly in the post pandemic era.
- Identify local suppliers and distributors to reduce supply chain constraints.
- Communicate with suppliers to try and overcome any issues and minimize business disruption.
- Work with associations and authorities to gain “high priority” or “essential” status.

For more information, refer to:
EEP Africa: https://eepafrica.org/how-to-covid-proof-companies/
POTENTIAL MEDIUM-TERM SOLUTIONS

- Work with solar associations to support the facilitation of goods clearance at ports and address other importation challenges.
- Identify new suppliers to increase diversity within supply chains.
- Bring inventory management systems online, to keep track virtually during the lockdown.
- Plan for continued supply chain impacts and ensure up-to-date information on lead times for all components, operations, and logistics routes.
- Revamp product designs to accommodate component or supplier changes.

For more information, refer to:
EEP Africa: https://eepafrica.org/how-to-covid-proof-companies/

SHIPPING & LOGISTICS:

- Although countries with closed borders may continue to accept shipments by air, land, and sea, work-from-home orders may infringe on companies’ ability to continue operations.
- Some import exceptions only apply to “high priority” or “essential” sectors. Additionally, quarantine orders and restricted movement of goods within countries disrupt logistics.
- Lockdowns delay the movement of goods across borders, particularly for landlocked countries that rely on road transport to import goods via neighboring countries.
- Due to fears about cross-border transport fueling the spread of COVID-19 across the region, countries are setting up restrictive measures that may cause further logistics delays.

For more information, refer to:
Sustainable Energy for All:


ADAPT TO MEET SHIFTING DEMAND

The COVID-19 pandemic impacts the demand for energy products and services. Off-grid solar companies should be willing to adapt to stay ahead of the curve.

- On the ground information, past market performance, up-to-date market intelligence, and insights from sales agents will all need to be leveraged to forecast demand for products and services.
- Demand forecasts should inform procurement decisions, taking into account changing lead times associated with the pandemic-related supply chain disruptions and shifts.

The content presented in this document is provided for informational purposes only and does not necessarily represent the views or positions of the United States Agency for International Development (USAID) or the U.S. Government.