



The Voice of the Off-Grid Solar Energy Industry

Webinar: COVID-19: Coordinating an industry response for the off-grid solar sector
31-03-2020

Overview Q&A

Dear Webinar Attendee

Please find below a Q&A overview of questions shared with us during the webinar **COVID-19: Coordinating an industry response for the off-grid solar sector**.

The 1-hour timeslot of the webinar did not allow a direct response to all questions asked, which is why we decided to compile the below overview.

Please note that many more questions or remarks were shared with us – we've selected those that we can currently confidently answer.

On the Relief Fund

General

For any requests or inquiries regarding contributing to the fund, please contact Eveline Jansen at e.jansen@gogla.org - who will facilitate the connection.

All specifics such as size of the fund, minimum / maximum amount, eligibility and timeline are yet to be determined. Updates on this will be placed on GOGLA's resource center: <https://www.gogla.org/covid-19-resource-center>

Regarding distribution of the emergency funding: There will be eligibility criteria clearly outlined. Companies that meet the criteria will be considered. There will be a cap on how much one company can apply for.

Detailed questions:

Q: To what extent has the relief fund considered a sort of "public works" program where companies somehow contribute to the COVID-19 response? I have heard people considering electrification needs of unelectrified or weakly electrified clinics. Could these two efforts be coupled?

A: We've learned of the efforts to leverage energy as a public service in healthcare facilities. These are so important. This is likely different, however, than an off-grid relief fund with a different purpose of keeping the current sector alive

Q: Can you describe more about the alternative financing? How do you think consumers can best be protected through the crisis? Economic disruption and loss of livelihoods is likely to lead to an ability to pay crisis.

A: Customer impact needs to be front and center in these relief funds. Therefore, fund is considering: Companies must not repossess systems until customers have missed payments for 9 months. Companies must demonstrate how they have considered (1) flexibility on customer loan payments and (2) suspension or deferral of debt collection activities with end-customers

Q: To what extent are you seeing interest from donors in providing relief funding in the forms of grants?

A: Seeing good interest. Too early to make any conclusions



Q: This raises concerns of equity – especially if western firms with top heavy management : business models pay their staff 80% of questionably viable salaries!

A: We agree that companies on average are overleveraged. But we think that junior unsecured debt, just like mezzanine debt doesn't add to leverage. It provides a protective layer for lenders. A grace period on interest and principal repayments further the equity like nature of the loans.

Q: With 2% interest, how do you prevent the emergency fund is used by the borrowers to prepay existing, more expensive debt?

A: Requirements to show use of capital will be mandated.

On COVID-19 impact on companies

General

For any requests or inquiries regarding TA support or needs, please contact Eveline Jansen at e.jansen@gogla.org. GOGLA is looking into options to collect and publish offers for TA. More information on our website soon: <https://www.gogla.org/covid-19-resource-center>

Detailed Questions

Q: Regarding the impact on manufacturer: where exactly is the impact for them? Lower manufacturing capacity (if so, why? due to factories / components supplier non operating at 100 % due to staff confined ?) Constrained export capacity ? Lower demand from distributors?

A: From (a limited number of) conversations we understand production in China was stopped but is now back on track; however many may find reduced demand from distributors. We also hear complaints about reduced capacity to deal with VAT/import duty waiver requests

Q: Are you looking at VAT exemptions only in Senegal and Kenya or also other countries?

A: GOGLA will aim to exploit VAT exemptions for the industry whenever the opportunity is available. Each regional representative is looking for favourable opportunities for the industry. Currently GOGLA has identified countries for VAT exemption during the current epidemic has been Senegal and Kenya but not limited to those two countries

Q: Many African governments/central banks and mobile operators are promoting the use of digital payments (Lowering transaction fees) to lower COVID19 transmissions. Can PAYG providers take advantage of this (and limit their losses)?

A: GOGLA is currently in discussion with mobile operators to waver transaction fees during a set period of time. The industry has reached an agreement with Sonatel, where PAYGo providers in Senegal are providing a free fee transaction during the next 30 days GOGLA plans to continue the effort in neighboring countries.

Q: Beyond mitigation measures to continue business, are GOGLA and members looking at possibilities to support COVID-19 response? (e.g. powering health clinics, etc)?

A: GOGLA strongly encourages members and National Renewable Associations to support COVID-19 response. In Senegal GOGLA is providing Webinar services to the Ministry of Energy. In Cote d'Ivoire the National Renewable Association (APERCI) offered to donate masks and testing kits to the government. We encourage more supporting responses.



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Q: We need more guidance on what "essential service" allows us to cover eg call centre support vs sales vs field activities

A: This will vary from country to country, so difficult to give general guidance.

Q: Are companies already able to measure the reduction in sales and revenue generation as well as collection rates to demonstrate what impact C19 is having on their performance?

A: We have certainly heard from companies that they have been forced to stop sales activities. We have no data whether companies see impact on revenue from existing customers

Q: Do I have to be a GOGLA member to access the services?

A: The resource page is accessible to everyone; the relief fund is not intended to be restricted to GOGLA members. However, by becoming member we will be able to represent you better, and you will receive more information and services from us.

Kind regards

GOGLA Team