

# Hivos Energy response to Covid-19

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Briefing  
note

**COVID-19 pandemic has impacted rural areas and informal and small businesses operating in these last-mile communities. This brief includes a set of recommendations developed by Hivos and partners to support the most vulnerable, including low-income households, women and MSMEs, to cope with the current crisis, and at the same time promote an inclusive and green recovery.**

## Introduction

The COVID-19 pandemic has resulted in a global health crisis, with major economic and social impact, that is affecting all continents. At the same time, the lockdown measures and economic collapse is threatening the lives of millions of people worldwide with lack of income, food and basic services. The global economy is facing one of its worst downturns since the Great Depression in the 1930s. International institutions, donors and governments are developing recovery programs to rebuild the global economy and support those most in need. Hivos is pleased to see calls from institutions such as UNEP and the WorldBank to “[build back better](#)” and the EU towards a “[Green Recovery](#)”, as it indicates that key actors are taking this

crisis as an opportunity to build a greener future. However, [the vast majority stimulus funds announced so far are being poured into high-carbon industries, such as the fossil fuels and aviation](#), with no conditions to ensure they reduce their carbon output, rather than towards low-carbon industries, such as renewable energy. We are also very concerned about how inclusive the design of these recovery programs will be, in terms of reaching remote and poorer communities, micro and small entrepreneurs and informal workers. Especially, considering that the virus is deepening the existing socio-economic inequalities between and within countries. Therefore, it is essential to include the voices and address the specific needs of communities and informal and small businesses operating

in developing countries to ensure no one is left behind.

This brief provides a short overview on how the pandemic is impacting rural communities and informal and small businesses operating in these communities in the global south, what Hivos and its partners are doing – specifically in relation to energy – and recommendations for key actors on how to support those most in need with a green and inclusive recovery. We welcome others to join our call to ensure that people’s voices are heard and build a green and inclusive world post-COVID 19.

### **Energy-related impacts of Covid-19 on rural communities and informal and small businesses**

With millions of people at risk of acute hunger due to the loss of income, we need concerted efforts to support those in immediate life threatening situations and [make sure that people have access to basic services, including health, and sanitation](#). The estimated 1.6 billion people living from the informal economy and low-income households, particularly female-headed households, [are among the most affected by lockdowns, social distancing measures and the high unemployment rates](#). Furthermore, low-income households often do not have access to clean water and soap, and are less able to practice social distancing and therefore unable to take the most necessary measures to protect themselves from the virus.

The impact of the lockdown measures is also threatening the survival of small and local businesses in developing countries, including decentralised energy businesses, due to a loss of income through [reduced ability to pay by customers and decline in sales, travel restrictions and disruption of the](#)

### **ENERGY-RELATED GENDERED IMPACTS OF THE PANDEMIC**

Women are on the frontlines of the coronavirus pandemic, representing over 70% of all frontline workers, from cashiers to health care workers. They are traditionally overwhelmingly represented in these low-wage and high-risk sectors. At the same time, there is increasingly more pressure on women as more activities are centered in the home due to social distancing measures and school closures. This has intensified the unpaid care and domestic work, including cooking, cleaning and taking care of children, that [women were already doing on average three times as much as men before the pandemic](#). Access to energy and electric appliances are crucial to reduce the burden on women’s unpaid care and domestic work and allow women to save time. However, these appliances are often [out of reach for poor and rural women due to low availability and/or high costs involved](#). This impacts the time women spend in poverty and the drudgery of labor-intensive activities, and ultimately their ability to cope with the COVID-19 crisis.

At the same time, there are alarming reports [of an increase of gender-based violence \(GBV\) in many countries due to this crisis](#). The security, health and financial worries caused by the pandemic, combined with people spending more time indoors, heighten tensions and strains in households. Furthermore, [women are at high risk of exposure to GBV while procuring cooking fuels, particularly in humanitarian and fragile settings](#). Better lighting in homes and public spaces could help prevent GBV.

Recognizing the disproportionate impact this crisis has on women and their crucial role in the fight against COVID-19 as essential workers, we need to support them with modern and affordable energy to keep up the fight and support the recovery.

[national and international supply chains](#). Hivos and ENERGIA conducted survey to assess the impact of COVID-19 on the operations of local civil society organizations and rural women entrepreneurs. Our survey found that small and local entrepreneurs face financial stress and most are worried about how to keep food on the table for their families when almost all business has halted. [Similar findings also came out of the EnDev survey with over 700 SMEs](#). This is particularly the case for those operating in the informal sector and rural and remote areas. Women entrepreneurs operating in rural and remote areas are particularly vulnerable as [they earn less income, have less savings and hold more insecure jobs in the informal sector](#).

Access to energy and in particular to clean cooking services and electric appliances is crucial for people's livelihoods and preventing negative health impacts. Our surveys, however, found that due to the reduced income, families are prioritizing spending on food and thus are unable to afford essential services, such as health care, electricity and clean cooking fuels. Furthermore, [recent data showing that people without access to clean cooking services and living in areas exposed to air pollution on a daily basis may be more susceptible to Covid-19 are extremely worrying](#). This crisis could potentially worsen the health impacts for the almost 3 billion people who lack access to clean cooking solutions (WHO).

### **Recommendations**

Energy access is a crucial part of the response to the COVID-19 pandemic, in the short, medium and longer term. Energy plays a crucial role in the immediate response and recovery of the pandemic, from powering health

centers, to sharing essential information about the crisis/virus, to stay connected in situations of reduced mobility and making homes and communities safer through better lighting. With people spending more time at home, energy access has a crucial role to play in ensuring people have clean cooking energy, refrigeration to keep food longer, water for sanitation and lighting to support studying and leisure activities.

***Hivos and partners have developed a set of recommendations to support those most at risk, including low-income households, women and MSMEs, to cope with the current crisis, and at the same time promote an inclusive and green recovery after the crisis.***

1. **Ensure access to electricity and clean cooking fuels for the poorest sections of society**
  - Include energy access and modern cooking fuels as essential services in the short-term social protection packages of national governments and emergency response of international donors.
  - Provide short-term financial support such as cash transfers and direct consumer subsidies for the lowest income groups to be able to purchase electricity and cooking fuels. [Where targeted social protection systems are already established, they can be expanded to provide energy access.](#)
  - Government and donors should explicitly support an inclusive energy sector, and ensure that those hardest hit are engaged in designing the short-term social protection packages and future energy policies and programs.

- At the same time, the energy sector should look into ways to improve the availability and convenience of energy access, for example via cashless/no-contact payments.

## 2. Support small business and the informal sector to cope with the crisis

- Support entrepreneurs operating in the informal sector and [workers at the beginning of the supply chain](#), who are often difficult to reach with standard government/donor support packages. Hivos supports calls by SEforALL to provide loans and funding [‘to retain essential staff and service existing clients’](#) and [the COVID-19 Energy Access Relief Response](#).
- Small-scale women entrepreneurs need special attention, and short-term financial support such as ENERGIA’s proposed solidarity fund to keep 3,000 women energy entrepreneurs in business could be an effective way to do so.
- In the long term, small businesses, such as the nascent off-grid and minigrid sector, need additional support to continue servicing the poorer/remote and now even more vulnerable communities. [Various financial instruments can be employed to maximize efficiency and effectiveness](#).
- Recent surveys conducted by GOGLA, the Clean Cooking Alliance (CCA) and EnDev with micro, small and medium-sized enterprises, indicate renewable energy companies need grant funding of various sizes to survive – including smaller ticket sizes.

## 3. Uphold targets to achieve universal energy access for all (SDG 7) by supporting green transformation for

### rebuilding economy

- [The advancements made towards SDG 7 over the last decade are at risk of being lost amid the Covid-19 crisis](#). There is an opportunity for governments to make structural transition to low carbon and socially inclusive economies through the stimulus packages. Prioritizing and [investing in sustainable cooking solutions such as biogas and solar based electric cooking, can help speed up this transition and prevent lock-in in fossil fuels](#).
  - Concerted effort is needed to keep the ambitions on renewable energy high, especially with the low oil prices. Low-income countries facing challenges in reaching their set targets need additional support.
  - The low oil price can be used to reduce or [abandon fossil fuels subsidies that mainly favor middle income consumers](#). The social protection packages designed to respond to the corona crisis can be turned into longer term support packages for the lowest income groups to compensate for lost fossil fuels subsidies when oil prices return to higher levels.
  - Support utilities and central grids and local businesses using mini-grids and stand-alone systems to maintain their existing infrastructure. Consider tools such as tariffs subsidies, waivers or social safety nets for customers, or [direct support to energy entrepreneurs](#).
- ## 4. Building back better towards a more just, sustainable, inclusive and equal society

- The voices of local civil society, women and marginalized groups must be heard and integrated in COVID-19 response and recovery planning and decision-making in the energy sector to ensure no one is left behind. Building programs and policies based on consultation and collaboration will lead to more effective and efficient results.
- [Integrating gender and ensuring women's representation in COVID-19 response and recovery planning and decision-making in the energy sector will enable women to advance](#) rather than be left further behind with the pandemic, in terms of their access to appliances and energy and cooking services as well as employment in the energy sector.
- Economic stimulus funds must be redirected to low-carbon initiatives instead of high-carbon businesses and fossil fuels. Investing in renewable energy is the only way forward to reduce carbon emission, create sustainable jobs, as well as increasing wellbeing and ensuring no one is left behind.
- [To prevent future crises related to climate change or zoonosis based pandemics, we need green and sustainable development.](#) This means going beyond immediate responses and focus on making our food systems more robust and resilient, protect the biodiversity of our planet and reduce greenhouse gas emissions by building green and inclusive economies.