

# New analysis on Ebola outbreak shows energy finance critical to public health recovery and long-term development for developing countries

Latest Energizing Finance knowledge brief examines Sierra Leone's experience with Ebola and highlights lessons that can be applied to ongoing response to COVID-19

**VIENNA, October 8:** A new knowledge brief released by <u>Sustainable Energy for All (SEforALL)</u> and <u>Climate Policy Initiative (CPI)</u> highlights how a health crisis like COVID-19 threatens to derail progress on providing energy access to countries that need it most, compromising both an effective response to the pandemic and long-term economic development.

<u>Changes in Energy Sector Financing during COVID-19: Lessons from the Ebola Outbreak in Sierra</u> <u>Leone</u> tracks international finance commitments and disbursements to Sierra Leone before, during and after the 2014-2016 Ebola outbreak. The knowledge brief has been developed as part of SEforALL's *Energizing Finance* research series.

The new analysis was undertaken to inform current responses to the COVID-19 pandemic and shows that despite the importance of the energy sector for powering health services, public infrastructure and economic activity, energy sector investment during and post the Ebola outbreak in Sierra Leone declined sharply. Short-term financing to the healthcare sector and emergency response was prioritized without a long-term focus on increasing resiliency to future crises, such as investing in reliable electricity supply for healthcare facilities.

"Sierra Leone's experience with Ebola should serve as a strong signal to all development finance institutions, donors, energy companies and governments in the context of the current COVID-19 pandemic," said **Olivia Coldrey, Lead, Energy Finance and Clean Cooking at SEforALL**. "We simply cannot achieve global health goals without reliable energy access. To truly support countries to recover better from a pandemic, we need to think beyond quick, short term fixes to long-term integrated strategies. We need to adopt a well-calibrated approach to build the secure, sustainable and resilient energy and healthcare systems of the future."

While there was a surge in official development assistance (ODA) to Sierra Leone between 2014 and 2016, health sector related projects and emergency response accounted for more than 75 percent of these commitments in 2014, while averaging 46 percent in 2015 and 2016. Meanwhile, only 5 percent of total ODA commitments to Sierra Leone between 2011 and 2018 was committed to projects that target energy generation and distribution, and to sectoral reforms.

Data also shows actual disbursement to energy sector projects was delayed relative to other sectors during this time. Post-2015, the gap between finance commitments and disbursements for energy projects increased, with average disbursements amounting to only one fifth of total commitments. By contrast, disbursements to projects targeting the health sector, including emergency relief and rehabilitation activities, was on average 1.5 to 2 times higher than commitments over the same period.

More worryingly, the analysis also found that Sierra Leone witnessed an average annual decline in ODA commitments of 28 percent post-Ebola (2016 to 2018) across all sectors. This contraction was to the detriment of the country's recovery efforts and long-term resilience.

As countries look to <u>'Recover Better'</u> from COVID-19, SEforALL and CPI have put forward a series of recommendations that could shape this approach and support countries with large electricity access deficits:

**Development finance institutions and donor governments** should overcome siloed approaches while planning investments in energy and health to build resiliency to future pandemics. They should take an <u>integrated approach to planning</u>, structuring and financing investments in these and other sectors, not losing sight of medium- and long-term priorities, like the Sustainable Development Goals (SDGs), while addressing immediate needs.

**National governments** should look to increase renewable energy investment for economic recovery, climate action and progress towards universal energy access. Renewable energy projects can support new jobs, increase economic resilience and help achieve Nationally Determined Contributions under the Paris Agreement.

The **private and public sectors** need to maximize their cooperation to finance, collect and aggregate data and support immediate needs as well as post-pandemic recovery. This includes creating a steady pipeline of "shovel ready" energy projects, and new business models, and pursuing innovative financing solutions that link healthcare and energy sector needs.

**Chavi Meattle, Senior Analyst at Climate Policy Initiative,** said: "Sustainable energy access is critical for not only increasing the resilience of our healthcare systems, but also for ensuring a green recovery that meets our climate and SDG goals. This will require unprecedented collaboration across sectors and public and private actors to ensure investments addressing the energy access gap happen at the scale and speed needed."

<u>Changes in Energy Sector Financing during COVID-19: Lessons from the Ebola Outbreak in Sierra</u> <u>Leone</u> is part of the <u>Energizing Finance</u> research series, which is the first and only systematic analysis of finance commitments, disbursements and needs in countries with the largest energy access gaps. Two flagship reports from the series, *Missing the Mark* and *Understanding the Landscape*, will be released on November 19, 2020. For more information, visit <u>SEforALL.org/EnergizingFinance</u>.

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## NOTES TO EDITORS

### Contact:

For further information or any interview requests, please contact: Beth Woodthorpe-Evans: <u>beth@SEforALL.org</u> | +1 202 390 1042

### About Sustainable Energy for All

Sustainable Energy for All (SEforALL) empowers leaders to broker partnerships and unlock finance to achieve universal access to sustainable energy, as a contribution to a cleaner, just and prosperous world for all. SEforALL exists to reduce the carbon intensity of energy while making it available to everyone on the planet.

For more information, visit <u>SEforALL.org</u> and follow <u>@SEforALLorg</u>

### About Climate Policy Initiative

CPI is an analysis and advisory organization with deep expertise in finance and policy. Our mission is to help governments, businesses, and financial institutions drive economic growth while addressing climate change. CPI has six offices around the world in Brazil, India, Indonesia, Kenya, the United Kingdom, and the United States.

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