

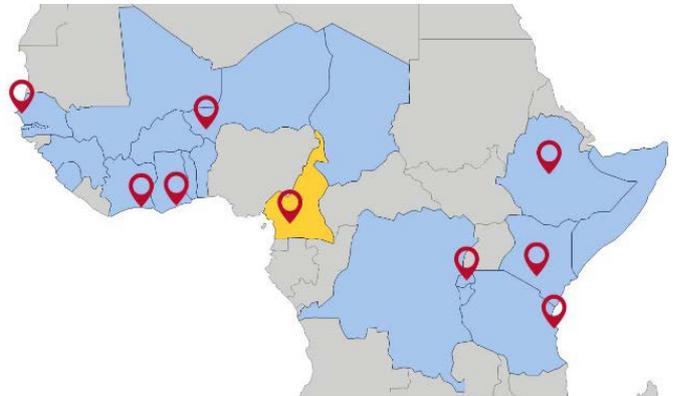


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POWER AFRICA OFF-GRID PROJECT (PAOP) CAMEROON

Cameroon's off-grid market is still largely undeveloped. However, a market size of 2.5 million households lacking access to electricity represents significant potential for growth. Latest off-grid market trends have ranked the country in the top 10 of solar home systems (SHS) sales worldwide, showing the fast growth of Cameroon-based distributors. Challenges remain, including a lack of political commitment and political instability and the need for quality standards, consumer awareness and incentives. Yet, Cameroon represents an opportunity to continue the momentum and increase the availability of SHS.



PAOP ENGAGEMENT IN CAMEROON

Strengthening Institutional and Regulatory Frameworks. PAOP's assessment of Cameroon's policy and regulatory framework for off-grid electrification informs discussions with the Electricity Sector Regulatory Agency (ARSEL) and the Ministry of Energy and Water Resources (MINEE) to improve procedures and streamline regulations. It also informs the mapping of off-grid regulations, import duties, and taxes on renewable energy products. PAOP uses this information to review an import duty and tax exemption path flow that informs SHS companies on how to navigate the process in conjunction with the MINEE and the Ministry of Finance. Other activities include defining the operational model for constructed mini-grids, examining their performance status, and seeking opportunities to engage private sector companies to operate the sites through sustainable business models.

Assessing Market Dynamics and Providing Intelligence. To inform future activities, PAOP's off-grid market assessment in Cameroon maps ongoing and upcoming donor activities, existing market intelligence resources and services, market potential, regulatory environment and financial landscape. On an ongoing basis, PAOP will provide valuable insights to investors, companies, and donors to inform and assist with the development of partnerships within the sector, including between U.S. businesses and local distributors and clients.

Increasing Business Performance and Access to Finance. PAOP assists SHS and micro-grid companies to improve business performance and increase the number of product sales and projects deployed by sharing market intelligence and providing an array of business advisory services. The team also facilitates financial flows to the sector by exploring funding offered by private investors, government agencies, and donors. PAOP engages local banks to encourage investment in the off-grid sector and will support private sector companies to engage with microfinance institutions for direct consumer finance solutions. The involvement of local financial institutions contributes to developing long-term sustainable sources of funding for the Cameroonian off-grid sector.

Expanding Cross-Sectoral Integration. PAOP supports off-grid electrification companies to pilot energy-agriculture



A young Cameroonian child excitedly uses a solar-powered light from Power Africa partner upOwa. (Photo: upOwa)

projects and products in Cameroon, as well as supporting dedicated energy-agriculture companies. The team will help the companies identify sources of funding and advise interested companies on productive use solutions, including technology, agricultural applications, and potential business models.



This 95kWc solar mini-grid in the city of Mayo Baleyo, Adamaoua in Cameroon provides access to electricity to customers. (Photo: Solkamtech)

The USAID-funded Power Africa Off-grid Project (PAOP) provides technical assistance and targeted grant funding to support the development of Africa's off-grid SHS and mini-grid sectors. Through a team of resident technical advisors across East and West Africa, PAOP works with companies, investors, and governments to advance the role of the private sector in extending energy access while integrating gender considerations into all its work streams.

By offering broad-based market intelligence to investors/financiers to inform financial product design, advising governments on establishing supportive policy frameworks, and providing hands-on support to companies, PAOP is helping to build the off-grid market to accelerate private sector-led energy access. Specific focus areas:

- **Policy and Regulatory.** Enabling environment activities increase the ease of doing business and attract private sector partners to participate in the off-grid sector. PAOP supports the mini-grid and SHS sectors, as each of these sectors faces a different set of policy challenges. PAOP helps governments design and implement policy frameworks that are supportive of private sector off-grid solutions.
- **Market Intelligence.** To serve the off-grid sector more broadly, PAOP gathers and disseminates market intelligence to companies, investors and governments to inform them about the latest sector developments and support their making informed decisions.
- **Business Performance.** PAOP offers targeted interventions meant to improve sales and business performance of individual companies, providing deep operational support in areas such as C-suite recruiting, business model development, sales strategy, product sourcing and strategic partnerships. . In every country, PAOP works to raise awareness of pay-as-you-go (PAYGO) models among microfinance institutions in addition to supporting other existing business models.
- **Access to Finance.** Off-grid companies require consistent access to financing. PAOP works with companies to raise equity or debt through executive coaching and pitch deck development, as well as supporting successful grant applications. The team also works directly with local financial institutions and investors to develop bankable pipelines and perform due diligence.
- **Cross-Sectoral Integration.** The links between energy and other sectors such as agriculture, health, and education, represent key opportunities for off-grid companies to reach new markets, develop new product lines, and multiply their impact. PAOP's Regional Advisors in both East and West Africa support companies and USAID missions to understand and execute opportunities for the integration of productive uses of energy into their businesses and activities.

ABOUT PAOP

Started in November 2018, the Power Africa Off-grid Project (PAOP) is a four-year program to accelerate off-grid electrification across sub-Saharan Africa to support Power Africa's goals to double access. RTI International implements PAOP in collaboration with Fraym, Norton Rose Fulbright, Practical Action Consulting, and Tetra Tech.

ABOUT POWER AFRICA

Power Africa is comprised of 12 U.S. Government agencies, over 145 private companies, and 18 bilateral and multilateral development partners to support sub-Saharan governments by working together to increase the number of people with access to power. Power Africa's goal is to achieve 30,000 MW of new generated power and 60 million new connections by 2030 to reach 300 million Africans.

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