

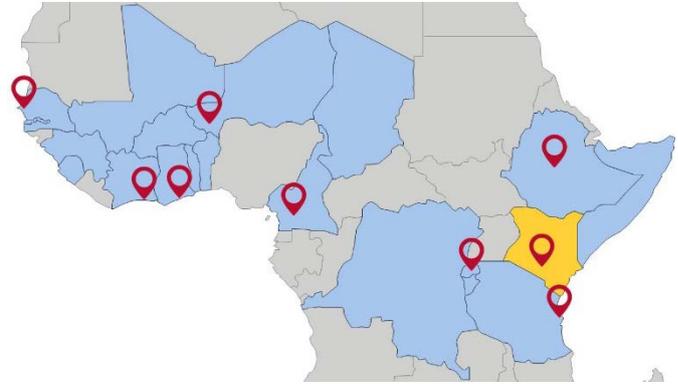


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FROM THE AMERICAN PEOPLE



## POWER AFRICA OFF-GRID PROJECT (PAOP) KENYA

Kenya is often cited as the most mature and attractive solar home system (SHS) market in sub-Saharan Africa. Kenya is also home to the continent's leading mini-grid developers and service providers. Still, the off-grid market faces numerous challenges, including expansion of services to underserved geographies and populations, access to new finance, draft regulations that risk adversely impacting the industry, and key regulations still to be fully adopted.



### PAOP ENGAGEMENT IN KENYA

**Supporting Adoption and Approval of New Regulations.** PAOP is monitoring implementation of the newly approved Energy Bill and yet-to-be-adopted mini-grid regulations, and will provide guidance to private sector companies to advance projects within the new legislative framework. PAOP also supports industry associations—including the Kenya Renewable Energy Association, Global Off-Grid Lighting Association, and African Minigrid Developers Association—to track relevant legislative development and engage with government institutions.

**Assessing Market Dynamics and Providing Intelligence.** To inform future activities, PAOP's off-grid market assessment in Kenya 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 supports the private sector through operational advice and assistance with grant, debt and equity financing. Targeted technical assistance enables SHS and mini-grid companies to expand their markets, product and service ranges, and internal capacities, which helps increase the number of Kenyans in poorly served areas with access to modern electricity services. PAOP also works closely with local commercial banks to increase access to financial products, feed investor pipelines, provide transaction advisory and due diligence support, and seek opportunities to assist companies to raise funds through equity, debt and grants.

**Expanding Cross-Sectoral Integration.** Energy is an important enabler for many of USAID's activities in Kenya, and is integral to the Government of Kenya's Big Four Agenda. PAOP supports the intersection of off-grid energy with agriculture, gender, health, education and vulnerable populations, including refugees. The team also supports the integration of productive use of energy equipment (e.g. solar pumps, mills, etc.) into existing off-grid company offerings. Additionally, PAOP provides support and integrates with Feed the Future's agricultural activities and the Smart Communities Coalition's work with refugee populations.



Lucy Sakuda of Olorien, in Kajiado County, Kenya, uses a solar-powered light from Power Africa partner M-KOPA. (Photo: Morgana Wingard)

PAOP support expands beyond USAID to include initiatives such as UNICEF's Energy for the Poor, which aims to increase energy access for Kenya's most vulnerable.



This 3.75 kW micro-grid in Narok County in Kenya provides electricity to 30 customers. (Photo: Sameer Halai)

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.

## **CONTACT US**

Lovemore Seveni  
Off-grid Specialist  
USAID Power Africa  
lseveni@usaid.gov

Miguel Franco  
Chief of Party  
Power Africa Off-grid Project  
mfrancobillini@PowerAfrica-

Carolina Barreto  
Senior Technical Advisor  
Power Africa Off-grid Project  
cabarreto@PowerAfrica-

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